Global Entrepreneurship Monitor

Sunil Shukla | Pankaj Bharti | Amit Kumar Dwivedi

ROUTLEDGE

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2023-2024

Global Entrepreneurship Monitor India Report 2023/24

A National Study on Entrepreneurship

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Dr. Sunil Shukla, Director General of Entrepreneurship Development Institute of India, Ahmedabad, has been closely working, for more than three decades now, in entrepreneurship education, research, training and institution building. Dr. Shukla has envisioned and designed innovative, outcome based programmes and developmental interventions in the domains of 'entrepreneurship', 'start ups' and 'intrapreneurship' for varied target groups including potential & existing entrepreneurs, innovators, faculty, business executives, bankers, managers, disadvantaged sections, family business successors, administrators and business counsellors. And entrepreneurship exponent, Dr. Shukla's work has also left an indelible impact on the grounds of Greater Mekong Subregion (GMS) countries, Asia, Africa, America, Iran and Uzbekistan. His research work has led to notable policy advocacy and decisions. He leads the largest and the most prestigious annual study of entrepreneurial dynamics in the world – the Global Entrepreneurship Monitor (GEM) India Chapter. Today several organizations and departments are benefitting from his guidance and mentorship by having him on their Boards.

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The GEM India Consortium is committed to investigating the factors that foster or hinder entrepreneurship, enabling targeted interventions to support its growth. Through ongoing research, we aim to identify strategies that can strengthen the entrepreneurship ecosystem, empowering entrepreneurs – the driving force behind economic vitality – to thrive.

The GEM India Report 2023-2024 provides valuable insights into the country's return to normalcy in entrepreneurial activities following the impact of COVID-19. We extend our sincere gratitude to the Centre for Research in Entrepreneurship Education and Development (CREED) for their generous financial support in making this project a success.

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Authors

Executive Summary

The Global Entrepreneurship Monitor (GEM) is a comprehensive international study conducted by the GEM consortium. The study has established a robust track record of delivering consistent, coherent, and contemporary data on entrepreneurial trends and activities across diverse economies worldwide, facilitating informed decision-making and policy development over time. Its primary objective is to collect comparative data on entrepreneurial activity, providing insights into the factors that influence national levels of entrepreneurship and informing policies to enhance entrepreneurial growth. The GEM study employs surveys and expert interviews conducted by in-country teams to measure entrepreneurship across various stages, including nascent, start-up, established, and discontinuation phases. This approach yields a rich dataset on entrepreneurship, offering harmonised measures of individuals' attributes and activities.

The GEM India Report 2023–2024 offers valuable insights into India's entrepreneurial landscape. Employing the globally consistent GEM research methodology, this study enables cross-country comparisons and provides a comprehensive understanding of India's entrepreneurial ecosystem. The Adult Population Survey (APS) was administered to a sample of 3,005 respondents, yielding data on the country's entrepreneurial activity and national framework conditions. In parallel, the National Expert Survey (NES) gathered insights from 72 national experts, focusing on India's entrepreneurial start-up ecosystem across nine key Entrepreneurial Framework Conditions (EFCs).

Here are some key findings of the 2023–24 GEM India surveys:

Key Findings of the Adult Population Survey (APS)

- The data show that 82.5% of the population perceives that there is a good opportunity to start a business in their area. Of the 46 participating economies, India has ranked second for perceived opportunities.
- 81.6% of youth perceived that they have confidence in one's ability to start a business. Out of the 46 economies that participated, India has ranked third for perceived capability.
- About 62.8% of youth have reported that they cannot start a business due to fear of failure. India ranks second among GEM participating economies. The data highlight that there is a fear of failure among youth in choosing to be entrepreneurs.
- Entrepreneurial intention is a very important part of the survey and highlights the possibility of people getting into business. The level of intentions among the population keeps changing, and compared to last year's survey, a persistent change has been observed. Entrepreneurial intentions are 19.5% for this year, and India ranks 19th among all 46 participating economies.
- However, about 81.1% of surveyed youth believe starting a business is easy in India. The data have improved, making starting a business in India easy. Out of the 46 economies that participated, India has ranked third for this parameter. It shows the ease of doing business in India.
- The rate of total early-stage entrepreneurship (TEA) in India is 12% in 2023-24, and India now ranks 22nd among 46 economies surveyed. Total early-stage entrepreneurial activity indicates the growth of entrepreneurship development in the country.
- Among female adults, 9.3% of the total female population is engaged in entrepreneurship in India, and 14.6% of the male population is engaged in the same.
- The discussion for established business ownership is essential, and 12.4% of the population is engaged in an established business.

- The motivation data for entrepreneurship are now more refined and relevant to the country's entrepreneurship development. People are mainly motivated by four different reasons to start a business. 83.8% of the people in India want to start a business to make a difference in the world. Another important category is earning a living because jobs are scarce, and data show that 87.8% of the population is motivated by this factor.
- Among the country's youth, 75.2% are motivated because they want to continue their family tradition, and 81% of youths have reported that they are motivated by building great wealth.

Key Takeaways from the National Expert Survey

- The national expert survey is the second essential survey conducted by GEM every year, and this year, it was conducted in 49 economies. The results are summed up in a newly formed National Entrepreneurship Context Index (NECI). NECI identifies the capacity of the ecosystem of a particular country for the enhancement of entrepreneurship in the country.
- The NES survey in India is based on 72 individual experts from the field of entrepreneurship, start-ups, and academics. Experts from various fields, directly or indirectly involved with entrepreneurship, suggest new things to improve the conditions of the entrepreneurship framework. The experts feel that the following fostering factors are facilitators for the growth of entrepreneurship and development in India. Among the NES experts, 19.7% reported that government policies and 16.7% reported that government programmes are some of the most promising factors for strengthening the country's entrepreneurial ecosystem. Experts also considered new ways of doing business and financial support as other factors that foster entrepreneurship in the country.
- The experts' primary recommendation is to improve education and training for entrepreneurship at school, college, and professional levels so that aspiring and existing entrepreneurs can easily start and grow their businesses. 45.5% of experts opined that education and training are essential in building the entrepreneurship ecosystem. The government should focus on creating sounder learning opportunities and developing human resource infrastructure for the growth of young entrepreneurs. The experts also recommended that capacity-building programs be improved and developed in a structured form to construct a more advantageous circumstance to create and expand the enterprise.
- Experts also recommended that the government provide conducive policies and financial support for novice and existing entrepreneurs to start and grow their businesses efficiently.

India's Evolving Entrepreneurial Landscape: A Paradigm of Global Ambition and Innovation

1

1.1 Introduction

Entrepreneurship is a crucial factor for economic growth worldwide. As the globe quickly moves toward entrepreneurship, various economies have worked to expand and strengthen the entrepreneurial ecosystem to improve society's health and prosperity. Over the past decade, India's entrepreneurial ecosystem has grown from a fragmented and place-specific framework to a dynamic, globally aspirational innovation hub. India, the third-largest startup ecosystem in the world, boasts 1,13,000 startups, including 109 unicorns (MeitY, 2024). Progressive regulations, broad internet connectivity, and a culture that promotes risk-taking and creative problem-solving have hastened this transition. This transition is driven by a new breed of innovative entrepreneurs who want to position Indian enterprises globally. The public and commercial sectors have worked together to reduce regulatory complexity, financial capital constraints, and infrastructure deficiencies, creating an environment encouraging high-growth firms.

India's proactive policy structure drives its rapid improvement. Government efforts like Startup India and Atmanirbhar Bharat Abhiyan have simplified business registration, tax incentives, and startup investment. These policies have made doing business in India easier (Ministry of Commerce and Industry, 2023), enabling entrepreneurs to tackle significant issues like healthcare, education, and supply chain inefficiencies. India's entrepreneurial ecosystem has driven economic growth despite global economic fluctuations. According to the International Monetary Fund (IMF, 2024), the global economy is projected to grow by 3.2%, with developed regions such as the United States and the Euro Area expected to grow at 1.9% and 1.5%, respectively. Emerging and Developing Asia, which includes India, is forecasted to achieve a growth rate of 5.1% (refer to Figure 1.1). Notably, India's GDP growth in 2023 stood at 8.1%, surpassing the regional average for Emerging and Developing Asia, underscoring the resilience and strength of its economic and entrepreneurial landscape (Ministry of Statistics and Programme Implementation, 2024; IMF, 2024).

Simultaneously, despite geopolitical tension, the global reputation of India's technological workforce continues to attract significant international investment. Venture capital and private equity firms increasingly perceive India as a fertile ground for disruptive innovations, further solidifying its position as a global leader in entrepreneurial endeavours (Tnn, 2024). The rise of a

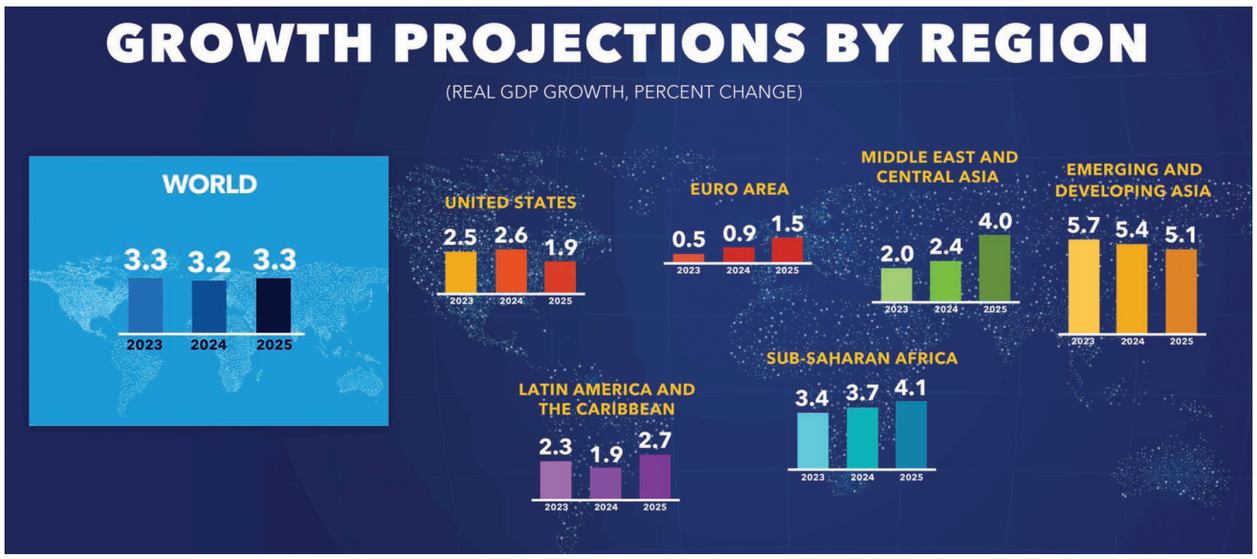


FIGURE 1.1 Region-wise global projection (From left 2023 to right 2025)

Source: *IMF, World Economic Outlook*

digitally enabled India has further propelled its entrepreneurial growth. With one of the world's largest and most affordable internet user bases, with 116.5 crore smartphone subscribers and cost-effective cloud computing services, entrepreneurs can rapidly design and deploy scalable, high-impact solutions (MeitY, 2024). Platforms such as UPI (Unified Payments Interface) and government-backed digital frameworks like the Aadhaar-enabled payment system, Bharat QR, have democratised entrepreneurial opportunities, enabling individuals from smaller towns and rural regions to establish and grow their ventures. This inclusivity expands the pipeline of innovative ideas and decentralises economic activity, fostering creativity beyond traditional urban startup hubs (Economic Survey, 2024).

Moreover, India's expanding digital infrastructure is complemented by a robust talent pool of engineers, data scientists, and innovators. Indian entrepreneurs increasingly leverage emerging technologies, including artificial intelligence, data analytics, and blockchain, to challenge established global players across financial services, healthcare, and space technology (MeitY, 2023). Notable examples include the rapid growth of unicorns such as Blinkit in the quick commerce sector and Biofuel Circle in the bioenergy supply chain, exemplifying India's ability to develop globally scalable solutions (Business Standard, 2024).

The evolution of the entrepreneurial landscape underscores India's capacity to address societal challenges while driving economic growth. The proliferation of globally recognised startups and unicorns reflects the nation's shift from being a market constrained by resources to a leading innovator poised to shape future global markets. A maturing venture capital ecosystem and an increasingly resilient and adaptable entrepreneurial culture place India on a trajectory toward global leadership in innovation and enterprise development. India's entrepreneurial journey highlights the dynamism of its startup ecosystem and illustrates the transformative potential of collaborative public-private initiatives, robust digital infrastructure, and a deep-rooted culture of innovation. As the country continues to attract foreign investment and nurture its growing talent pool, its entrepreneurial ecosystem will emerge as a cornerstone of global economic development and further cement India's status as a major player on the world stage.

The World Bank's Commodity Price Index (April 2024) highlights notable price fluctuations across key sectors, shedding light on global market dynamics and their implications for India's entrepreneurial ecosystem. Energy prices, which surged in early 2022 to 143% of their January 2022 levels, stabilised in 2023, while metals and minerals experienced a sharp decline in prices after mid-2022 due to reduced global demand and production constraints, particularly in China. In contrast, agricultural prices exhibited remarkable stability, reflecting the resilience of this vital sector. These trends underscore opportunities for India's entrepreneurial ventures to align with evolving global markets and drive sustainable development.

A significant energy consumer, India has addressed energy price volatility with innovation and aggressive policy. The National Policy on Biofuels and Startup India has grown clean energy and energy efficiency startups. India and China absorbed diverted Russian oil exports in the fourth and first quarters of 2023 and 2024, increasing their energy market share. According to the International Energy Agency, India's oil consumption will jump by 1.2 million barrels daily in 2024, contributing significantly to global demand growth (World Bank, 2024). Measures to promote clean cooking fuels like LPG and ethane have also increased entrepreneurial activity in sustainable energy solutions, stimulating innovation and tackling environmental issues.

Agricultural price stability has supported entrepreneurship to improve sustainability and food security. Startups in this industry have optimised supply chains, increased efficiency, and integrated agrarian feedstock into the biofuel market. India's biofuel promotion is predicted to account for over 60% of global demand growth from 2023 to 2028, making it a crucial actor in the sustainable energy transition. India's local resilience and global sustainability efforts have improved due to agricultural stability (World Bank, 2024).

After mid-2022, metals and minerals prices fell due to decreasing demand and output, giving Indian entrepreneurs new chances. Sustainable mining, materials management, and resource efficiency have grown. This sector's startups utilise green technologies to meet international sustainability goals and environmental concerns. These efforts demonstrate India's adaptability to market changes and contribute to the worldwide push for sustainable industrial practices.

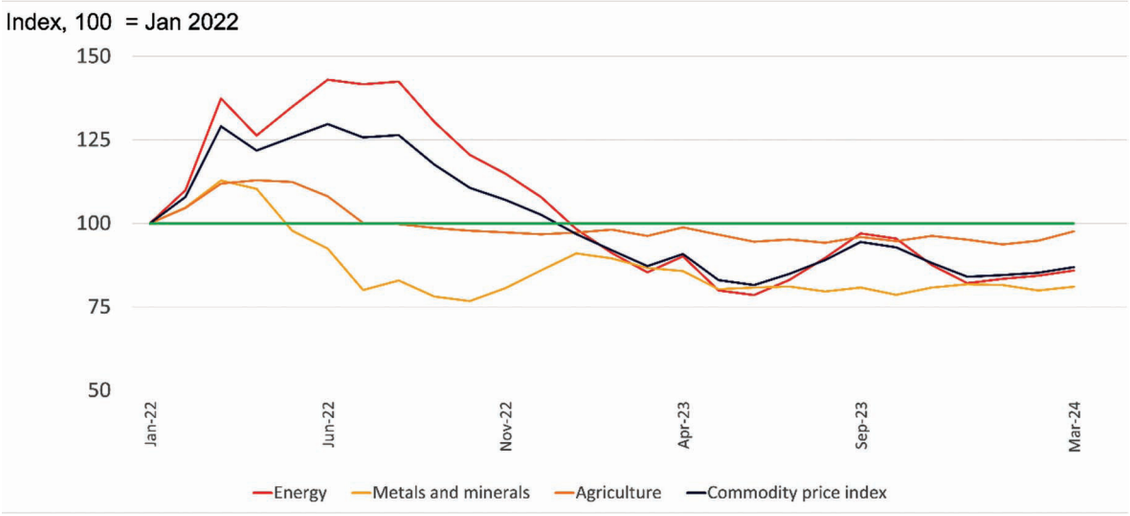


FIGURE 1.2 Commodity price index

Source: *World Bank*

India's business environment can benefit from global commodity price stabilisation in late 2023 and early 2024. Local resources and inventive ideas can boost Indian enterprises' economic resilience and sustainability. Startups solve energy, agriculture, and resource management issues, showcasing the country's global leadership. Indian entrepreneurship is changing sustainability, innovation, and inclusivity. India leads the world through its supportive governmental framework, dynamic entrepreneurial culture, and unrelenting commitment to 21st-century concerns. This path shows the country's desire to create its internal and global destiny and become a sustainable and equitable growth leader.

1.2 Transformative Evolution of the Entrepreneurial Landscape

India's entrepreneurial ecosystem has developed over the past decade, emerging as a global innovation and economic expansion centre. The ecosystem has transitioned from a disjointed and predominantly informal framework to a cohesive, dynamic platform that supports high-growth enterprises. This transition is fundamentally anchored in progressive policy measures, technology innovations, and a cultural evolution favouring entrepreneurship as a legitimate and appealing career option. India is now home to over 1 lakh startups and 100+ unicorns, reflecting the dynamism and resilience of its entrepreneurial landscape (MeitY, 2024).

Real GDP has been estimated to grow 5.4% in Q2 of FY 2024–25, a decline from the robust 8.1% growth recorded in FY 2023–24. Similarly, real GVA recorded a growth rate of 5.6% in Q2 FY 2024–25 compared to 7.7% in the previous financial year. The sluggish performance in the Manufacturing (2.2%) and Mining and quarrying (–0.1%) sectors in Q2 of FY 2024–25 highlights sectoral challenges even as the economy maintains a stable trajectory with Real GVA growing by 6.2% in H1 (April–September) (Ministry of Statistics & Programme Implementation, 2024).

India's economic growth has shown mixed signals despite the encouraging entrepreneurial climate. There is a prediction that it will improve in the upcoming quarters.

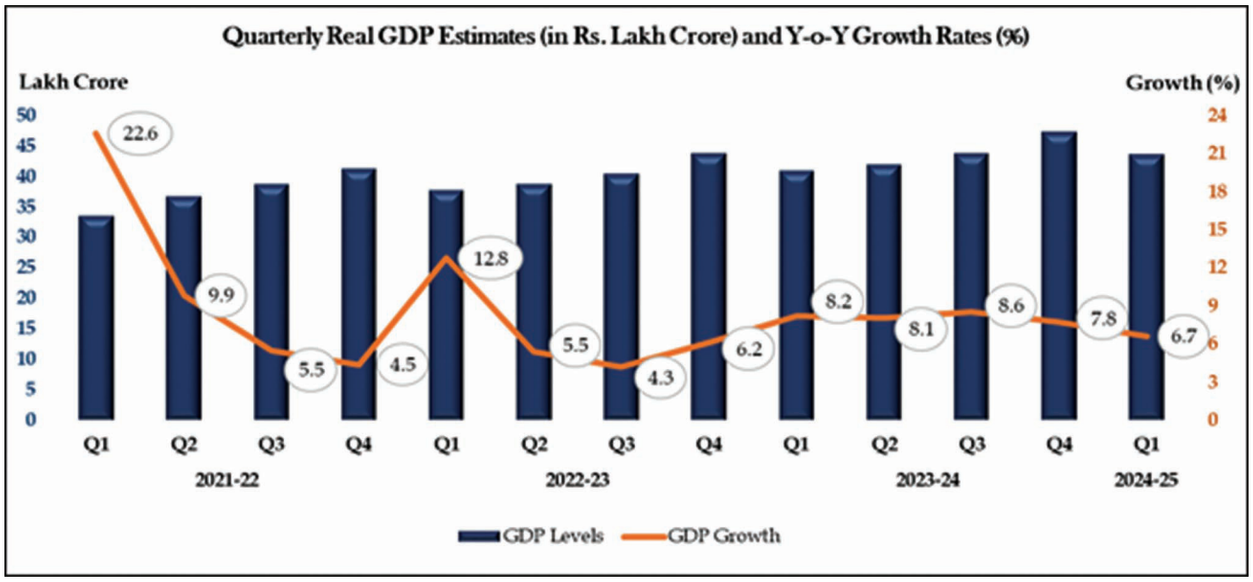


FIGURE 1.3 Quarterly GDP and GVA estimates along with Y-o-Y growth rates from Q1 FY 2021–22 to Q2 FY 2024–25 at constant price

Source: *Ministry of Statistics & Programme Implementation, Government of India*

One of the most significant drivers of this transformation has been the focus on creating an inclusive ecosystem that supports entrepreneurs from diverse backgrounds, geographies, and industries. Entrepreneurs from Tier 2 and Tier 3 cities are now emerging as key contributors, bringing localised innovations to the forefront. The government's emphasis on fostering entrepreneurship in these regions has created new economic opportunities, especially in agritech, edtech, and healthcare (Economic Survey of India, 2024). This evolution is not merely quantitative but qualitative, as it signals a broader cultural acceptance of risk-taking and innovation, positioning India as a beacon of entrepreneurial excellence on the global stage.

1.3 Rise of Tech-Savvy and Risk-Tolerant Founders

India's entrepreneurial renaissance has been characterised by the rise of tech-savvy and risk-tolerant founders redefining the traditional parameters of success. Often equipped with international exposure and advanced technical knowledge, these entrepreneurs leverage their expertise to solve complex problems with innovative solutions. Many have honed their skills in global corporations or elite academic institutions, bringing a cosmopolitan edge to their ventures. Their ability to integrate global best practices with local insights has been instrumental in shaping enterprises catering to domestic and international markets (MeitY, 2023).

This new breed of entrepreneurs thrives on disruption and is not deterred by uncertainty. They use AI, ML, blockchain, and data analytics to construct scalable and sustainable business models. In the past year, India's generative AI startup base had increased to –3.6 times from 66 plus to 240 plus in 2024 (Nasscom, 2024). They tackle primary healthcare, financial services, renewable energy, and logistics issues with innovative solutions. Women entrepreneurs are also changing the entrepreneurial scene, with 18.5% of total enterprises and 77.7% of beneficiaries of the Stand-Up India campaign, making it more varied and inclusive (Economic Survey, 2024).

By embracing risk and leveraging technology, these founders set new benchmarks and inspire a generation of entrepreneurs to follow suit. Due to the increased awareness and government support, 4,08,15,091 microenterprises registered in Udyam are part of the inclusiveness and taking benefits of the government's enterprise-based schemes and assistance (Ministry of Micro, Small & Medium Enterprises, 2024).

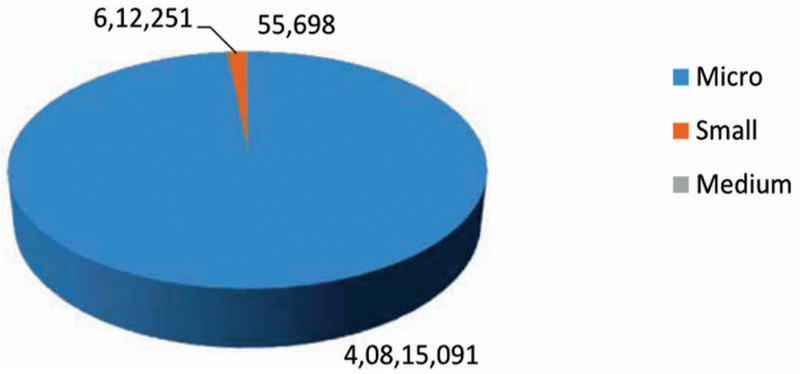


FIGURE 1.4 Distribution of micro, small and medium enterprises as per Udyam registration (including informal micro enterprises on UAP)

Source: *MSME Annual Report 2024*

1.4 Role of Policy Reforms in Fostering Innovation

Proactive and forward-looking policies that support innovation and growth underpin India's entrepreneurial success. Startup India started in 2016 and has revolutionised support for startups with simpler regulatory processes, tax advantages, and government procurement opportunities (Ministry of Commerce and Industry, 2023). These initiatives have lowered entry barriers, making firms more straightforward to start and scale.

Additionally, sector-specific programs like the National Digital Health Mission and the National Electric Mobility Mission Plan have spurred innovation in developing industries. GST has streamlined tax compliance, whereas IBC has created a formal framework for corporate failures. These reforms have enhanced the ease of business and instilled confidence among domestic and international investors (World Bank, 2024). As India continues to refine its policy framework, the focus remains on fostering an environment that encourages risk-taking, supports innovation, and ensures the long-term sustainability of its entrepreneurial ecosystem.

1.5 Digital Infrastructure and the Democratisation of Entrepreneurship

India's rapidly expanding digital infrastructure has been a cornerstone of its entrepreneurial growth, driving the democratisation of opportunities and resources across diverse regions. The widespread availability of affordable, high-speed internet, bolstered by initiatives such as *Digital India*, has significantly bridged the digital divide, empowering entrepreneurs from rural and semi-urban areas to actively participate in the nation's burgeoning startup ecosystem (*Economic Survey of India, 2024*). Pioneering platforms like UPI (Unified Payments Interface) and Aadhaar have transformed financial inclusion and digital identity verification, breaking barriers for aspiring entrepreneurs and fostering innovation across sectors. From 1 lakh crore in 2017–18 to INR 200 lakh crore in 2023–24 (Ministry of Finance, 2024).

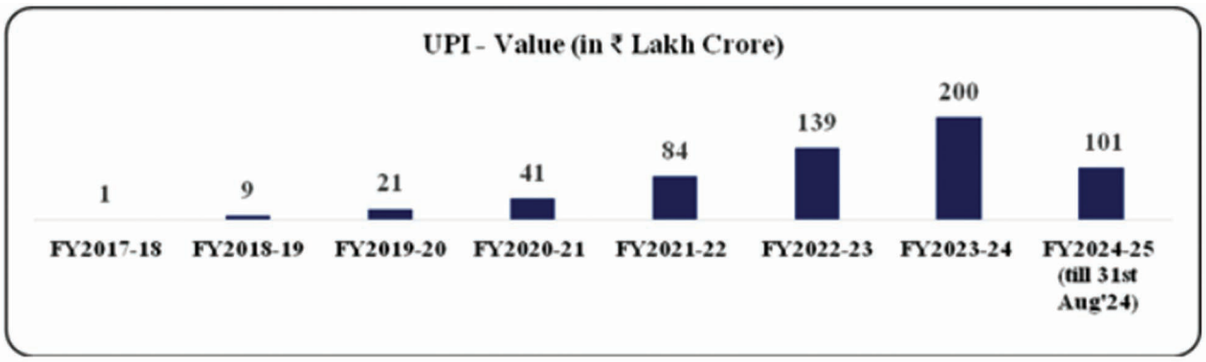


FIGURE 1.5 UPI payment

Source: *NPCI*

The UPI system has emerged as a game-changer in India's digital payments landscape, enabling real-time, instant interbank transfers that are faster, more convenient, and cost-effective. This innovation has spurred exponential growth in digital payments, with transaction volumes soaring from 2,071 crore in FY 2017–18 to an impressive 18,737 crore in FY 2023–24, reflecting a remarkable compound annual growth rate (CAGR) of 44%. During just the first five months (April-August) of FY 2024–25, transaction volumes have already reached 8,659 crore (Ministry of Finance, 2024).

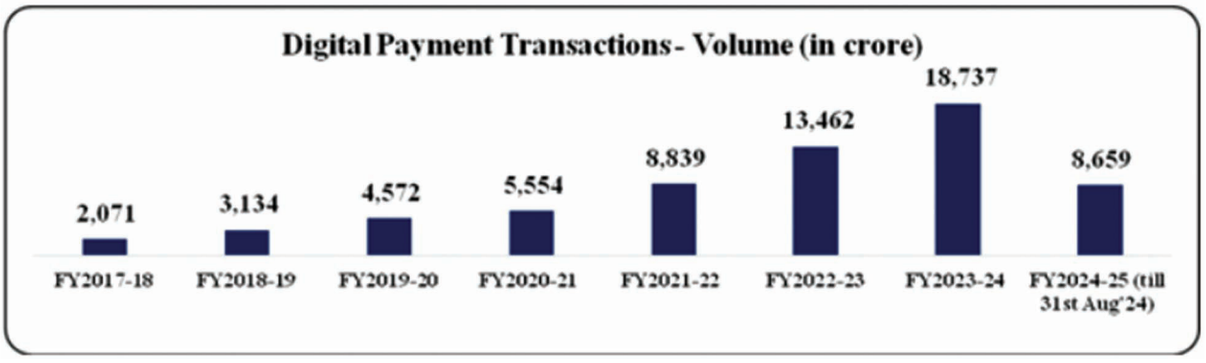


FIGURE 1.6 Digital payment transaction

Source: *RBI, NPCI & Banks*

Similarly, the value of these transactions has witnessed robust growth, rising from ₹1,962 lakh crore in FY 2017–18 to ₹3,659 lakh crore in FY 2023–24, achieving a CAGR of 11% (Figure). The momentum continues, with transaction values reaching ₹1,669 lakh crore in the first five months of FY 2024–25. This explosive growth underscores the transformative impact of digital payments on India's economy, making financial transactions seamless and accessible for individuals and businesses alike (Ministry of Finance, 2024).

Additionally, new technologies such as cloud computing, big data, and advanced digital payment gateways have increased the scalability and efficiency of startups. Digital platforms have democratised market access and enabled small business owners and artisans to connect with national and global audiences, significantly improving their income and business prospects. For example, the government's Common Service Centers initiative (CSC, 2024) has empowered rural entrepreneurs by giving them access to essential services, including e-governance, financial services, and skills development programs (Economic Survey, 2024).

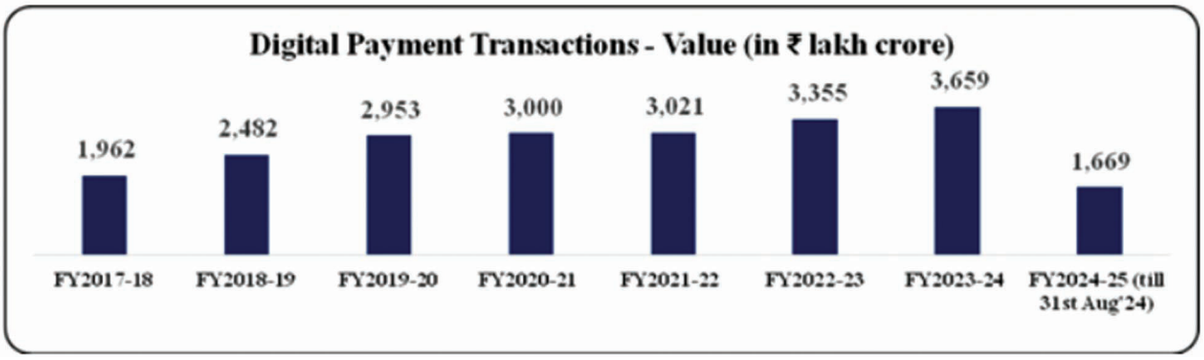


FIGURE 1.7 Digital payment transaction

Source: *RBI, NPCI & Banks*

By fostering inclusive entrepreneurship, India drives innovation and equitable economic growth. The democratisation of resources and opportunities has allowed the entrepreneurial ecosystem to thrive, ensuring that the benefits of digital transformation extend to all segments of society. This robust digital foundation positions India as a global leader in leveraging technology to create a dynamic, inclusive, and sustainable entrepreneurial landscape.

Cloud computing, big data, and digital payment gateways have further enhanced the ability of startups to scale efficiently. For example, digital platforms have enabled small-scale entrepreneurs and artisans to access national and global markets, significantly improving their income and business prospects. The government's Common Service Centres (CSCs) initiative has empowered rural entrepreneurs with access to critical services by having 4,56,579 functional centres in rural with a total number of 369.90 lakh transactions, including e-governance, financial services, and skill development programs (CSC, 2024). By democratising entrepreneurship, India fosters innovation and ensures that economic growth is inclusive and equitable.

1.6 Global Ambitions and Attracting International Investment

India's entrepreneurial ecosystem has increasingly attracted global attention for its potential to produce transformative innovations. The credibility of India's technological workforce and the cost-effectiveness of its innovations have positioned the country as a preferred destination for international investment. In 2024, India attracted over $11.3 billion, which, higher than in 2023, amounts to $10.7 in startup funding, with a significant portion coming from global venture capital and private equity firms (Tnn, 2024). This influx of foreign direct investment (FDI) underscores the growing confidence of international stakeholders in India's entrepreneurial potential.

Indian startups are also making significant inroads into global markets, with many expanding their operations to North America, Europe, and Southeast Asia. Companies like Blinkit, Zepto, PhysicsWallah, and Paytm have demonstrated that Indian enterprises can compete with global counterparts in edtech, SaaS, and fintech areas. Strategic collaborations with multinational corporations and participation in international innovation forums have further bolstered India's global standing. The ability of Indian entrepreneurs to address global challenges with localised solutions highlights the country's unique value proposition as a hub of innovation and creativity (MeitY, 2023).

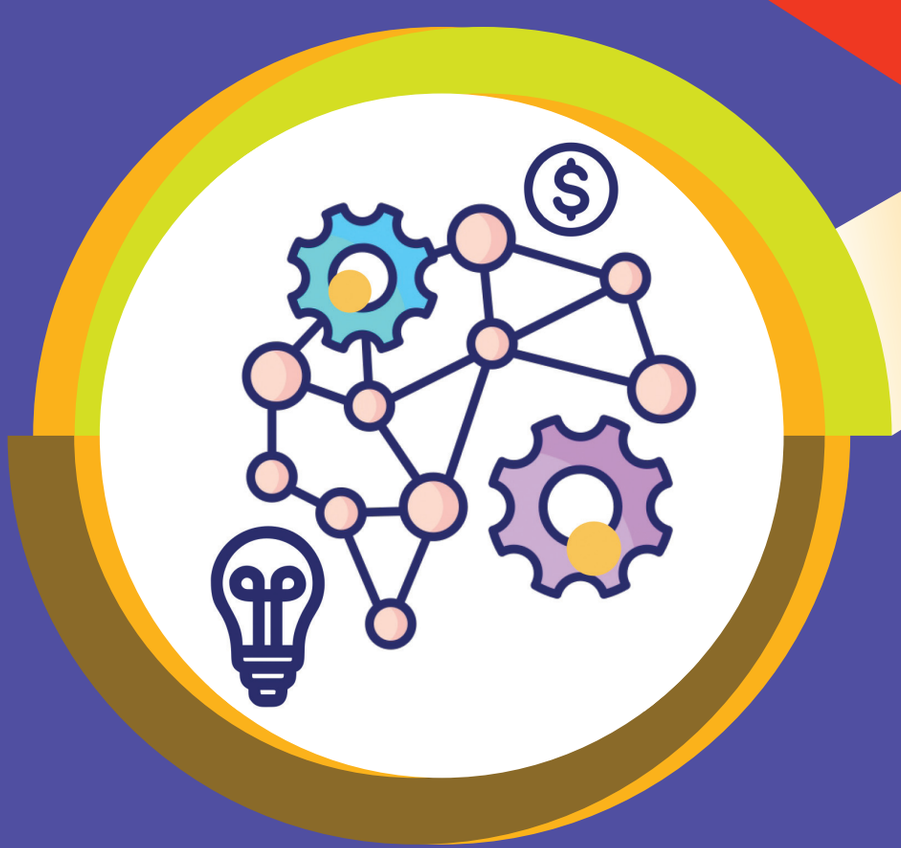
1.7 Outlook: Positioning India as a Global Powerhouse

India is poised to solidify its position as a global powerhouse of entrepreneurship and innovation. Combining a young, tech-savvy population, supportive government policies, and an increasingly sophisticated venture capital ecosystem provides a strong foundation for sustained growth. As India continues emphasising sustainability, inclusivity, and digital transformation, its entrepreneurial ecosystem is well-equipped to address some of the world's most pressing challenges.

While the journey is not without its challenges, particularly in addressing infrastructural bottlenecks and sectoral disparities, the progress made thus far is a testament to the resilience and adaptability of Indian entrepreneurs. The emphasis on fostering public-private partnerships and leveraging emerging technologies will ensure that India remains at the forefront of global innovation. By aligning its entrepreneurial ambitions with global priorities, India has the potential to redefine its identity on the world stage, not just as an emerging market but as a leader in shaping the future of innovation and enterprise (Ministry of Statistics & Programme Implementation, 2024; Economic Survey, 2024).

Global Entrepreneurship Monitor (GEM) Conceptual Framework

2



The Global Entrepreneurship Monitor (GEM) is a long-term multinational research study of entrepreneurship, conducted annually using primary data from the population to carefully measure the level of entrepreneurship in each participating country. Starting and running an enterprise is a rigorous process in any emerging economy. Entrepreneurship development helps the country create new jobs, increase income, and add value. Entrepreneurial activity provides a benchmark for every economy, enabling comparison with others. Starting a business is a highly individual decision that reflects an individual's desire, competency, and intention. Entrepreneurs create enterprises within a context of social values and entrepreneurial ecosystems that may promote or hinder entrepreneurial activity. The interaction of individual attributes and the entrepreneurial environment also influences enterprises' nature regarding sector choice, innovativeness, and ambitions.

2.1 GEM India Consortium

In 2011, intending to continue with the GEM India Study, the three institutions, i.e. Entrepreneurship Development Institute of India, Ahmedabad, the Wadhwani Centre for Entrepreneurship Development, the Indian School of Business, Hyderabad, and the Institute of Management Technology, Ghaziabad, formed the GEM India Consortium 2012–15. As per the stipulated requirements, the 'GEM India consortium conducted research studies in 2012, 2013 and 2014'. The research results of the survey conducted in 2013 and 2014 were featured in the GEM National Report-2013 and GEM National Report-2014. After three years, the 'GEM India 2012–15' consortium was reconstituted. The three institutions (i.e. Entrepreneurship Development Institute of India (EDII) Ahmedabad, Jammu and Kashmir Entrepreneurship Development Institute of India (JKEDI), and the Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP)) agreed to conduct the GEM study in a time-bound manner to suit the GEM Global schedule. This team could produce GEM India National Reports 2015/16, 2016/17, and 2017/18. Further, the EDII, as the GEM India Lead Institution, has continued the annual cycle of GEM research studies and brought national reports in 2019/20, 2020/21, 2021/22, and 2022/23.

The present 'GEM India Team' comprises the Entrepreneurship Development Institute of India, which is the Lead Institution and the Secretariat of the GEM India Team. Prof. Sunil Shukla (Director General, EDII) is the National Team Leader for the GEM India Study.

2.2 Income Groups and Participating Economies of GEM Research

This annual GEM India compares 'Level C' economies participating in GEM's 2023/24 research. For GEM, entrepreneurial activity, or entrepreneurship, is starting and running a new business, i.e. not just thinking about it or intending to start, but expending resources to get a new business off the ground (GEM 2023/2024).

GEM Global Report 2023/24 has provided detailed information regarding participating economies, regions, and income levels. For the 2023/24 cycles of the report, 46 economies participated in the Adult Population Survey (APS), and 49 economies participated in the National Expert Survey (NES). Among all 49 economies, 16 belong to 'Level A', 19 from 'Level B', and 14 from 'Level C'. Level A economies include 10 from Europe, two from North America, three from the Gulf, and the Korean Republic. The Level B economies include 11 from Europe, five from Central or South America, and three from Asia. Finally, Level C economies are more geographically diverse, with six from Central or South America, five from Asia, two from Africa, and Ukraine (see Table 2.1).

GEM has continued to use World Bank data but has defined its income boundaries to achieve a more even spread of participating economies and, hence, more meaningful comparisons (GEM 2022/23).

Each economy is classified into one of three income groups according to its level of GDP per capita. In 2022/23, GEM defined low, medium, and high income to ensure somewhat evenly sized groups for the purposes of analysis. This year, GEM again revised this definition as follows:

- Level A: economies with a GDP per capita of over $50,000;
- Level B: economies with a GDP per capita between $25,000 and $50,000;
- Level C: economies with a GDP per capita of less than $25,000.

The APS represents nearly 60% of the current world population and 70% of the global GDP. More than 136,000 youths reported about their attitudes, perceptions, and activities related to entrepreneurship. An additional 2,000 national experts from 49 economies offered their responses for the NES (GEM2023/24).

TABLE 2.1 Economies in GEM 2023/24, classified by income ($GDP per capita)

Level C <$25,000	Level B >$25,000 <$50,000	Level A >$50,000
Brazil	Argentina	Canada
China	Chile	France
Colombia	Croatia	Germany
Ecuador	Cyprus	Italy
Guatemala	Estonia	Rep. Korea
India	Greece	Luxembourg
Iran	Hungary	Netherlands
Jordan	Israel	Norway
Mexico	Japan*	Qatar
Morocco	Latvia	Saudi Arabia
South Africa	Lithuania	Slovenia
Thailand	Oman	Sweden
Ukraine	Panama	Switzerland
Venezuela	Poland	United Arab Emirates*
	Puerto Rico	United Kingdom
	Romania	United States
	Slovak Republic	
	Spain	
	Uruguay	

Source: *GEM 2023/2024)*

* Data of these three countries not included in APS

2.3 The GEM Conceptual Framework

Entrepreneurship's societal, economic, and political context greatly impacts the creation of an entrepreneurial climate in any economy. The conceptual framework explores the multidimensional phenomenon of entrepreneurship, which includes innovation in products and services, business renewal, job creation, economic expansion, and social & environmental implications of business. The GEM framework and the data analysis help to understand that the entrepreneur is not the only one responsible for economic growth; the environment (ecosystem) also creates a promising culture of entrepreneurship. An ecosystem of different determinants with individual and social factors creates a more conducive environment for new ventures and opportunities.

The level of entrepreneurship activities results from assessing entrepreneurial opportunities and their entrepreneurial potential (i.e. motivation and skill). Entrepreneurial and national framework conditions influence recognising opportunities and entrepreneurial potential. Meanwhile, entrepreneurial framework conditions are also influenced by the general ecosystems within a nation. The National Framework Conditions reflect the level of economic development. According to GEM, the entrepreneurial framework condition consists of the following factors:

- **Finance:** The availability of financial resources, equity debt for SMEs (including grants and subsidies), and the extent to which taxes or regulations are either size-neutral or encourage SMEs
- **Government policies:** The presence and quality of direct programmes to assist new and growing firms at all levels of government (national, regional, and municipal)
- **Entrepreneurial education and training:** The extent to which training in creating or managing SMEs is incorporated within the education and training system at all levels (primary, secondary, and post-school)
- **R&D transfer:** The extent to which national research and development will lead to new commercial opportunities and is available to SMEs
- **Commercial and legal infrastructure:** The presence of property rights and commercial, accounting, and other legal services and institutions that support or promote SMEs
- **Entry regulation:** It contains two components: (1) Market dynamics: the level of market change from year to year, and (2) Market openness: the extent to which new firms are free to enter the existing markets.
- **Physical infrastructure and services:** Ease of access to physical resources, i.e. communication, utilities, transportation, land, or space at a price that does not discriminate against SMEs
- **Cultural and social norms:** The extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income

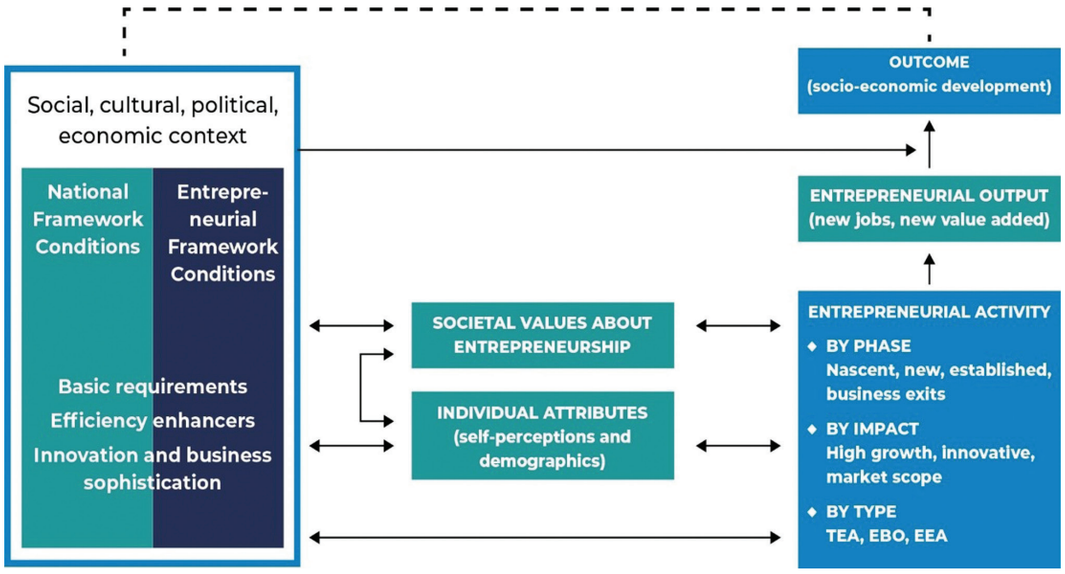


FIGURE 2.1 The GEM conceptual framework

Source: *GEM Global Report 2023–24*

2.4 Social Values Towards Entrepreneurship

It includes how society values entrepreneurship as the right career choice, whether entrepreneurs have a high social status, and how media and internet attention to entrepreneurship contribute (or do not) to developing national entrepreneurial culture.

2.4.1 Individual Attributes

It includes several demographic factors (gender, age, and geography), psychological factors (perceived capabilities, perceived opportunities, and fear of failure) and motivational aspects (necessity-based vs opportunity-based venturing, improvement-driven venturing, etc.).

2.4.2 Entrepreneurial Activity

Entrepreneurial activity is defined according to the ventures' lifecycle phases (nascent, new venture, established venture, and discontinuation), the types of activity (high growth, innovation, and internationalisation) and the sector of the activity (Total Early-stage Entrepreneurial Activity or TEA, Established business ownership rate or EBO, and Employee Entrepreneurial Activity or EEA).

GEM differentiates between three distinct stages in the development of entrepreneurial activity and, therefore, defines a related typology for entrepreneurs in each stage. The Nascent Entrepreneur has actively devoted resources to starting the business, but the business has not yet paid wages or salaries (including those of themselves) for three months. The New Business Owner has started and is running a business and has paid wages or salaries for three months or more but for less than 42 months because those running a business and paying wages or salaries for 42 months or more are classed as Established Business Owners (GEM 2023/24).

2.5 GEM Operational Definitions

- **TEA:** Percentage of individuals aged 18–64 who are either a nascent entrepreneur or owner-manager of a new business
- **Nascent entrepreneurship rate:** Percentage of individuals aged 18-64 who are currently a nascent entrepreneur, i.e. actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months.
- **New business ownership rate:** Percentage of individuals aged 18–64 who are currently an owner-manager of a new business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than three months but not more than 42 months.

2.5.1 Characteristics of Early-Stage Entrepreneurial Activity

- **High-growth expectation early-stage entrepreneurial activity**: The percentage of early-stage entrepreneurs (as defined above) who expect to employ at least 20 people five years from now
- **New product-market-oriented early-stage entrepreneurial activity**: The percentage of early-stage entrepreneurs (as defined above) who report that their product or service is new to at least some customers and not many businesses offer the same product or service

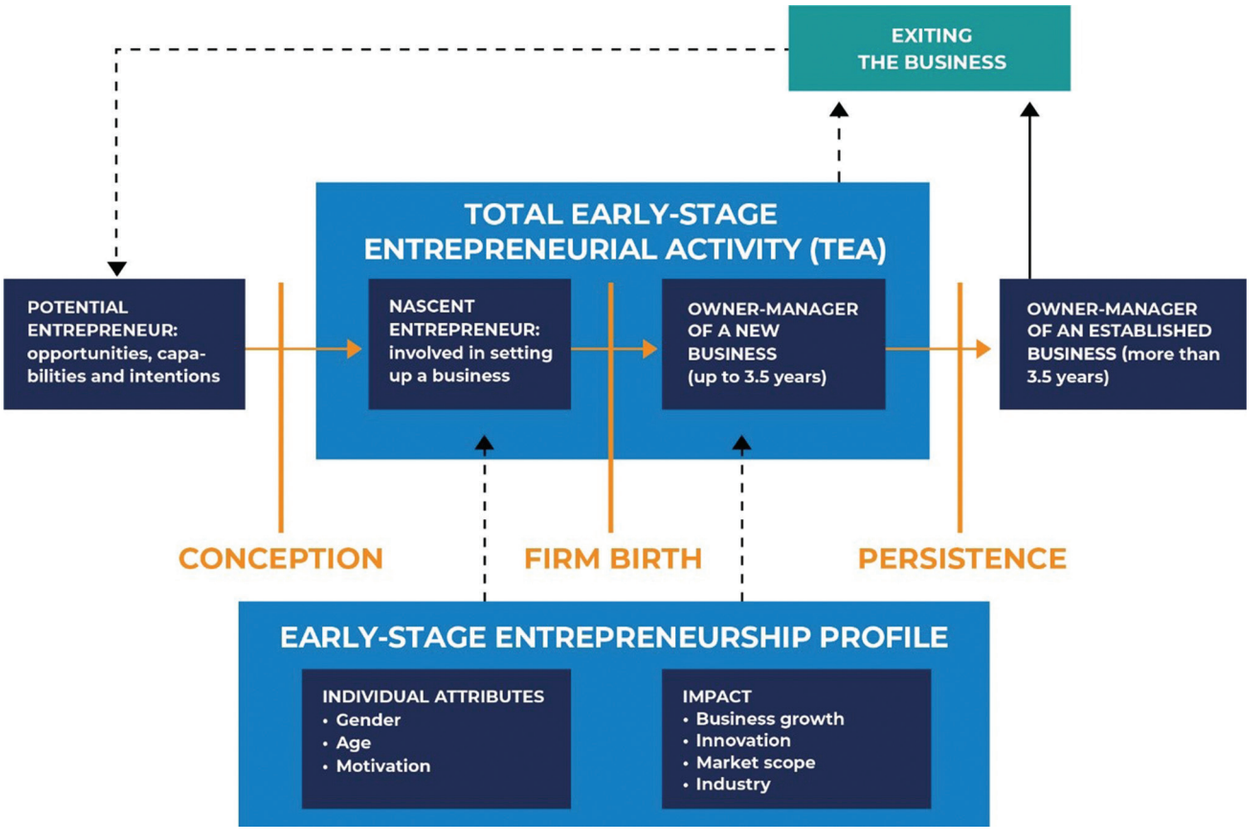


FIGURE 2.2 Entrepreneurship phases and GEM entrepreneurship indicators

Source: *GEM Global Report 2023–24*

- **International-oriented early-stage entrepreneurial activity**: The percentage of early-stage entrepreneurs (as defined above) who report that at least 25 per cent of their customers are from foreign countries
- **Established business ownership rate:** The percentage of individuals aged 18-64 years who are currently an owner-manager of an established business i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months
- **Business discontinuation rate:** The percentage of individuals aged 18-64 years who, in the past 12 months, have discontinued a business, either by selling, shutting down or otherwise discontinuing an owner/management relationship with the business. It may be noted that it is NOT a measure of business failure rates.

2.5.2 Individual Attributes of a Potential Entrepreneur

- **Perceived opportunities** Percentage of the 18-64 population who see good opportunities to start a firm in the area where they live.
- **Perceived capabilities-** Percentage of the 18-64 population who believe they have the required skills and knowledge to start a business.
- **Entrepreneurial intentions**- Percentage of the 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who intend to start a business within three years.

- **Fear of failure rate-** Percentage of the 18-64 population with perceived opportunities who also indicate that fear of failure would prevent them from setting up a business.

2.6 The GEM Methodology

There are many ways to assess a country's entrepreneurial activity rate. Most people count new firms or tax registrations as a measure of entrepreneurial dynamics. These are important, but only to the extent that new businesses register. In a less-developed or developing country, new firm registrations are just a small proportion of new business start-ups. This may be due to several reasons. For example, a business may start informally at a very small level, and the owner may wait to see if the business works, especially when the registration process is expensive or difficult. Another reason is self-employment; many self-employed people work only for themselves and may not even initially perceive that they are running a business—for example, journalists, musicians or taxi drivers. The GEM approach circumvents the challenges of collecting comprehensive data by being population-based and assuring anonymity, thus capturing activity in the informal economy in a way that official statistics cannot. This is a major differentiation factor for GEM compared with other studies (GEM 2023/24).

The GEM methodology is unique due to its concentration on youth rather than businesses. By surveying the activities and perceptions of individuals, GEM research highlights the personal decision-making process involved in starting a business and the subsequent development of that business. This is important because people's attitudes, activities and ambitions influence the entrepreneurial process in a society. An economy that grows and sustains needs entrepreneurs at every stage. Some are starting a new business and have established and sustained it to maturity. "In addition, because of the APS's focus on individuals and its anonymisation of results, it reflects activity in the informal or unregistered economy — which is normally beyond the reach of most official data. This is especially important in many developing countries, where unregistered businesses may represent a significant proportion of the total stock, and where many new businesses never mature to being formally registered" GEM 2022/23). In 2023/24, more than 136,000 people completed the GEM APS interview.

The GEM surveyed every participant country in two different phases: (a) Adult Population Survey (APS) and (b) National Expert Survey (NES). The purpose of GEM is to find empirically based answers to the following questions:

- Does the level of entrepreneurial activity vary between countries, and if so, to what extent?
- Does the level of entrepreneurial activity affect a country's economic growth and prosperity rate?
- What makes a country entrepreneurial?
- What kind of policies may enhance the national level of entrepreneurial activity?

2.7 APS in India

The Adult Population Survey (APS) is administered to a structured random sample of at least 2,000 adults (aged 18–64) in each participating economy, often more in larger or more complex national economies. The APS measures the attitudes, motivations, ambitions, and activities of the youth population of participating economies by using the standard global GEM questionnaire. Results and surveys are then checked by GEM Global and later approved based on quality and cross-checks. APS in every country, especially India, brings relevant information to the informal

economy, which is crucial to developing countries. It helps analyse diverse sets of economic activities, enterprises, and jobs that the state neither regulates nor protects. With unaccounted informal businesses, a country may overlook taxes, and people may not comply with labour laws. As the GEM survey is random and distributed throughout the population, these activities are easy to capture and monitor as a part of the entrepreneurship evolution.

A stratified random sampling method is used to select cities or villages nationwide. Further, a city/village is divided into four to five strata, and the selection of a certain number of survey starting points within each city/village is ensured. Moreover, with the help of the Kish Grid method, households and adults were identified for the study. Rather than selecting the respondents directly from the population, a two-stage sampling method is used. Hence, after identifying the household, the eligible age group was listed in descending order by age, and an eligible respondent was identified using the Next Birthday method. If a selected person was unavailable during the initial visit, at least three more visits were made before moving to another household. In all, 3005 respondents aged between 18 and 64 were included in the survey.

TABLE 2.2 Regional distribution of APS (weighted sample)

Region	Frequency	Percentage	Frequency	Percentage
	Unweighted		Weighted	
Central	327	10.9	300	10.0
East	349	11.6	333	11.1
North	941	31.3	917	30.5
South	953	31.7	9.4	30.2
West	435	14.5	547	18.2
Total	3005	100.0	3005	100.0

Source: *Based on GEM India Survey 2023/24*

Apart from regional representation, an effort was also made to ensure appropriate representation of gender and location, i.e. male/female and urban/rural, respectively. For this purpose, the appropriate weight was decided based on various criteria.

TABLE 2.3 Rural/urban distribution

Location	Frequency	Percentage	Frequency	Percentage
	Unweighted		Weighted	
Urban	2025	67.4	1007	33.5
Rural	980	32.6	1998	66.5
Total	3005	100.0	3005	100

Source: *Based on GEM India Survey 2023/24*

TABLE 2.4 Gender distribution

Gender	Frequency	Percentage	Frequency	Percentage
	Unweighted		Weighted	
Male	1587	52.8	1537	51.5
Female	1418	47.2	1468	48.9
Total	3005	100.0	3005	100

Source: *Based on GEM India Survey 2023/24*

2.8 NES in India

The second source of the GEM data is the National Expert Survey (NES), conducted via email on the state of entrepreneurship in the country, with 72 national-level experts from the public and private sectors. The information was collected with the help of a standardised questionnaire provided under the global GEM project. The national level of experts was selected for their expertise based on the "entrepreneurial framework conditions". They are equipped with rich perspectives about their respective professions and entrepreneurship. The experts are asked to estimate the degree to which each factor of the entrepreneurship ecosystem applies to India.

In all, 72 national experts were identified, approached, and requested for data provision. The average work experience of experts was 8.6 years and ranged between 1 and 49 years. The experts' profiles and their areas of specialisation are given in Tables 2.5 and 2.6, respectively.

Expert specialisation included experts' opinions from entrepreneurs, investors, finance specialists, policymakers, and business and support service providers. It also included experts from the teaching field and entrepreneurship researchers. The number of participants in these fields and education levels also varies.

TABLE 2.5 Experts' specialisation (table contains multiple responses)

S. No.	Specialisation	No.	Percentage
1	Entrepreneur	27	37.5
2	Investor, Financer, Banker	3	4.2
3	Policy Maker	4	5.6
4	Business and Support Services Provider	22	30.6
5	Educator, Teacher, Entrepreneurship Researcher	32	44.4
6	Others	4	5.6

Source: *Based on GEM India Survey 2023/24*

As reflected in the table below, the experts included people with qualifications up to a PhD. Some are vocational professionals and university college academics. The experts also include people with PhDs and researchers in the entrepreneurship field.

TABLE 2.6 Experts' education

SN	Educational Qualification	Frequency	Percentage
1	Vocational professional	6	8.3
2	University/college	29	40.3
3	MA, PhD	35	48.6
4	Missing Responses	2	2.8
4	Total	72	100.0

Source: *Based on GEM India Survey 2023/24*

The experts in the NES survey are also classified into male and female categories. In the table below, it is clear that 26 (36.1%) female and 46 (63.9%) male experts provided their opinions for the Indian National Expert survey.

Entrepreneurship Activity in India

3

3.1 Overview

The decision to start a business is influenced by several factors, including the ability to spot business opportunities, attitude towards risk, individual ambitions and aspirations, an individual's confidence in their abilities, self-belief, familiarity with other entrepreneurs, and access to resources, including social support. This chapter explores the importance of attitudes and perceptions of youth in starting a new business. It includes whether youth perceived they have the knowledge, skills, and experience required to start their own. Whether they intend to start a business in the next three years or fear failure, this deters them from starting. It also provides detailed information by including data from competitive and relevant economies. This chapter also tries to understand region- and gender-wise variance for critical indicators.

The GEM critical indicator, Total Early-stage Entrepreneurial Activity (TEA), explains the proportion of adults in a particular country starting or running a new business. It is reasonable to understand that countries with comparatively low levels of TEA are missing out on a range of positive outcomes, including new jobs, new products, new opportunities, etc. The GEM also measures Established Business Owners (EBO), which explains the nature of entrepreneurship in the countries. For example, businesses provide employment and stability in a changing world.

Tables 3.1 and 3.2 (GEM India Snapshot) provide a comprehensive picture of the entrepreneurial activities and the changes related to the period from 2022/23 to 2023/24. The major highlights of the data in the GEM survey include perceived opportunities, skills and knowledge of entrepreneurs, motivation, entrepreneurial intentions, and entrepreneurial activity in India. This chapter also provides a comparative analysis of the data with regional economies and regional analysis within the country. The regional aspect and the gender aspect are also discussed in this chapter. Discussions on other data points, such as Total Entrepreneurial Activity (TEA) in India and its comparison with low-income level economies (Level C), are also part of the analysis. This chapter also describes male–female comparison, age groups, and TEA, as well as a comparison amongst various regions within India. The chapter also discusses job creation expectations, innovation, and motivations. Industry distribution is another crucial aspect of this attitudinal data. The data further highlight entrepreneurial motivation and its value amongst youth and entrepreneurs.

TABLE 3.1 GEM India snapshot

Entrepreneurial Activity	Value (%)	Rank
TEA 2023–24	12.0	22//46
TEA 2022–23	11.5	24/49
TEA 2021–22	14.4	18/47
The established business ownership rate (EBO) 2023–24	12.4	7/46
Attitudes and Perceptions	**Value (%)**	**Rank/49**
Perceived opportunity	82.5	2
Perceived capability	81.6	3
Fear of failure	62.8	2
Entrepreneurial Intention	19.5	19
Easy to start a business	81.1	3

Source: *GEM India Survey 2023–24*

TABLE 3.2 Entrepreneurial motivation in India

Motivation	% of TEA	Rank/46
Make a difference in the world	83.8	1
Build great wealth	81.0	6
Continue family tradition	75.2	1
Earn a living because jobs are scarce	87.8	7

Source: *GEM India Survey 2023–24*

3.2 Attitudes and Perceptions

Table 3.3 highlights the individual attributes of youth in India towards various factors related to entrepreneurial behaviour. The table also explains India's rank among the 46 countries that participated in the survey. The data presented in the table indicate that India has a high entrepreneurial potential, as it ranks among the top 10 countries in terms of perceived opportunities, perceived capability, and ease of starting a business. It means that many youth in India believe that there are good opportunities for starting a business, that they have the skills and knowledge to do so, and that setting up a business is relatively easy.

TABLE 3.3 Attitudes and perceptions to start a business in India

Attitudes and Perceptions	Value (%)	Rank/49
Perceived opportunity	82.5	2
Perceived capability	81.6	3
Fear of failure	62.8	2
Entrepreneurial Intention	19.5	19
Easy to start a business	81.1	3

Source: *GEM India Survey 2023–24*

Amongst the surveyed individuals, more than 81 per cent perceive starting a business as easy. Perceived intentions lead to actions in the coming time. This percentage has significantly increased, mainly due to the vigorous efforts by the government and new policy formulations. This easy-to-start business largely depends upon the efforts of the government to ease the business and start-up process. More than 81 per cent of youth reported that they have the capability to start a business. The percentage of having the capability to start a business and the ease of starting a business are almost the same. It highlights that individuals are highly optimistic about starting a new business venture. The data also highlight that over 82% of youth have reported enough opportunities to start a business.

However, the result also indicates challenges in India's entrepreneurial ecosystem. For instance, India ranks 19 on entrepreneurial intentions, meaning that only a tiny proportion of people who perceive opportunities and capabilities intend to start a business in the next three years. It could be due to fear of failure. This study's findings also reveal the high fear of failure among potential entrepreneurs in India. The data point on this parameter indicates that 62.8% of youth fear failing to start a business. It means that more than 62% of the adults who see opportunities and have capabilities are afraid of failing if they start a business. Fear of failure is an important perception and keeps individuals away from starting their new business even when the person possesses all the resources, has excellent skills, and the external environment is supportive. The fear of failure is especially prevalent in society's middle and lower economic strata. Individuals

develop a fear of failure either organically or due to social attitudes toward business. It could be due to entrepreneurship's high uncertainty and risk and the stigma and consequences of failure in Indian society.

Therefore, Table 3.3 suggests that while India has solid entrepreneurial potential, it is necessary to address some barriers and gaps that prevent people from pursuing their entrepreneurial aspirations. It could include providing more support and incentives for entrepreneurs, creating a more conducive and enabling environment for business creation and growth, and fostering a more positive and resilient attitude towards entrepreneurship.

3.3 Gender Differences in Attitudes and Perceptions

Figure 3.1 highlights gender differences in individual attributes toward starting a new business. The findings indicate some exciting insights about the gender differences in entrepreneurship in India. For example, male and female respondents have high perceived opportunities and ease of starting a business. However, male respondents have slightly higher levels than female respondents. It also shows that male respondents have higher perceived capability than female respondents, which may indicate higher confidence or self-efficacy. However, male and female respondents both have high levels of fear of failing, which may act as an entry barrier to entrepreneurship. The data points for "Fear of Failure" are interesting to understand, i.e. 65 per cent of males fear starting a business due to chances of failure compared to 60.4 per cent of females.

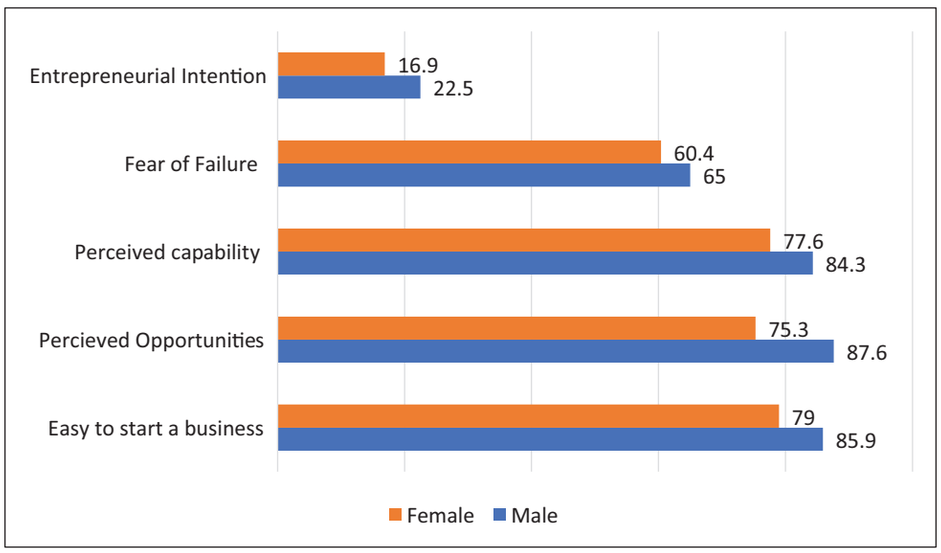


FIGURE 3.1 Comparison of male–female attitudes and perceptions

Source: *GEM India Survey 2023–24*

An essential generalisation from this figure is that males and females perceive high opportunity, skill, and ease to start a business, but a significant percentage perceive fear of failure. So, there is a need to create an environment where failure is not seen as a stigma, and particularly in entrepreneurship, it is used and understood as a fruitful exercise. Interestingly, the figure shows a difference in entrepreneurial intentions between male and female respondents. On this parameter, female respondents reported less entrepreneurial intention than males.

3.4 Attitudes and Perceptions: A Comparison of Low-Income Economies

The findings of the APS indicate the different individual attributes of entrepreneurship in low-income economies. The easy-to-start business data suggest that it is highly perceived in India and Thailand, while China, Iran, and Jordan have the lowest percentage of perceptions. The data show that India and Thailand have the highest perceived opportunities, while Iran, Ukraine, and Venezuela have the lowest. The data for perceived capability indicate that Venezuela has the highest percentage of perceptions, followed by India, Guatemala, Thailand, and Ecuador. On the other hand, the data show that the youth of China, Ukraine, and Iran have the lowest perceived capabilities required for starting a business. The result in Figure 3.2 (a) also explains the perception of opportunities for starting a business. The data indicate that the perception of business opportunities in India is higher than in other countries of low-income groups. On the other hand, the perception of the youth of China is the lowest in this group regarding perceived opportunities.

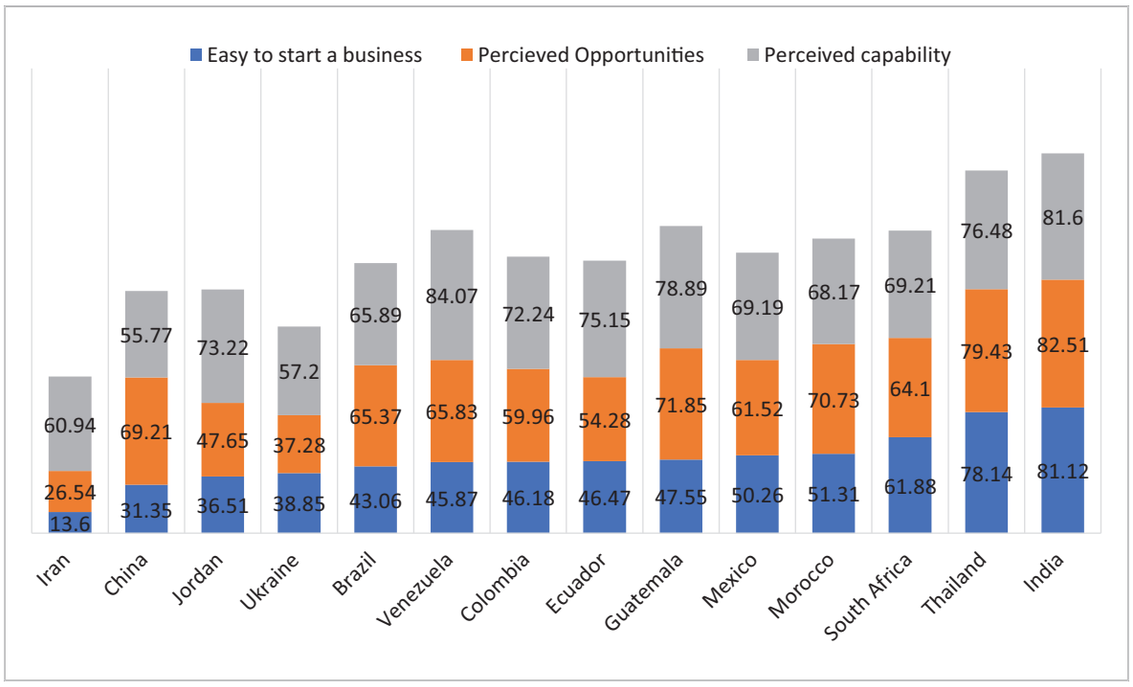


FIGURE 3.2(a) Attitudes and perceptions to start a business in low-income economies

Source: *GEM India Survey 2023–24*

Fear of failing data indicate the percentage of adults who would not start a business due to fear of failure. The data show it is highest in China, India, South Africa, and Jordan. It is on the lower side in Iran, Colombia, and Venezuela. Compared with intentions, both fear of failure and intentions are higher in Brazil, Guatemala, and Jordan. Intentions surpass the percentage of fear of failure in many countries such as Ecuador, Tunisia, Brazil, and Guatemala [see Figure 3.2(b)].

The data suggest significant differences in entrepreneurial attitudes and perceptions among the countries. Some countries have high potential for entrepreneurship but face high barriers or challenges, while others have low potential but also low barriers or challenges. This also gives us an understanding that having good opportunities will only lead to intentions when there is

a low fear of failure. Countries with a high fear of failure and high intention will only be able to take some of the benefits from the perceived opportunities. Governments need to work on decreasing the fear of failure by easing business, increasing opportunities and helping people build entrepreneurial intentions through education, training and mindset building.

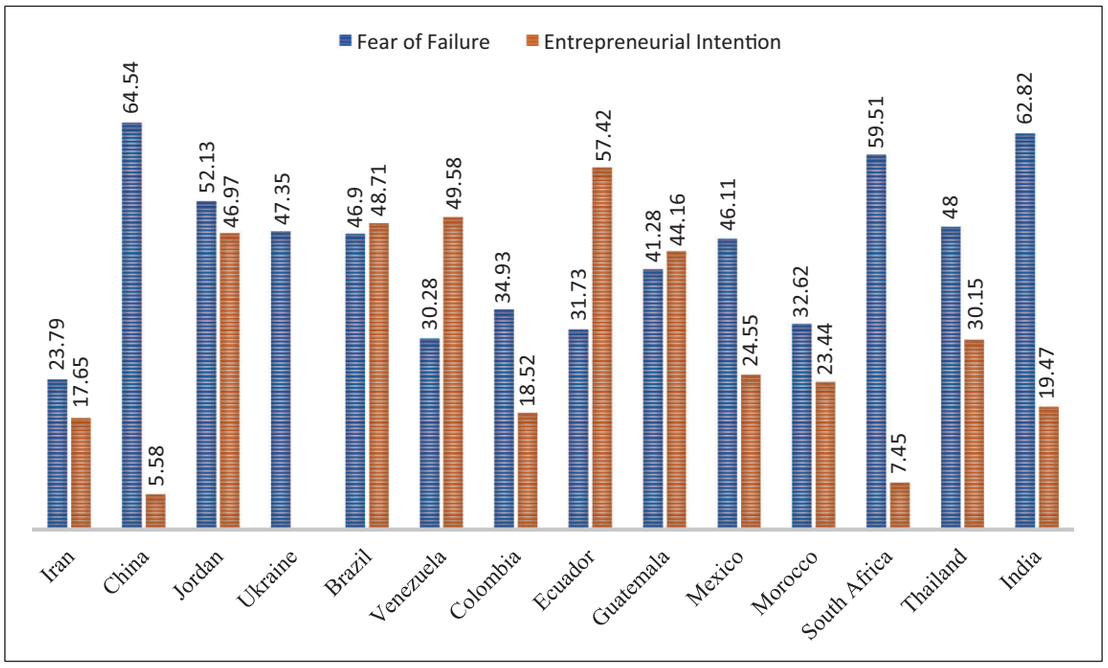


FIGURE 3.2(b) Attitudes and perceptions to start a business in low-income economies

Source: *GEM India Survey 2023-24*

3.4.1 Attitudes and Perception Differences among Indian Regions

An effort was also made to understand regional variations within the country, such as attitudes and perceptions of starting a business. The data presented in Figure 3.3 depict the attitudes and perceptions of people in different regions of India towards entrepreneurship. The results indicate that the North, South, and West regions have higher scores for Easy to Start than the Centre and East. It indicates that people with these three reasons perceived starting a business as more accessible. The attribute Perceived Opportunities is higher in the South and West regions. People from the western region perceived that they had more knowledge and skills than those from other regions. The data also indicate that people from eastern regions reported a high fear of failing to start a business. The youth from the central and northern regions have reported high intention to start the business.

The figure reveals regional variations in India regarding attitudes and perceptions of entrepreneurial attributes. While some regions have more favourable conditions and perceptions of entrepreneurship than others, there is no clear correlation between these factors and entrepreneurial intentions. Other factors, such as cultural norms, social networks, and access to finance and education, may also influence the decision to start a business.

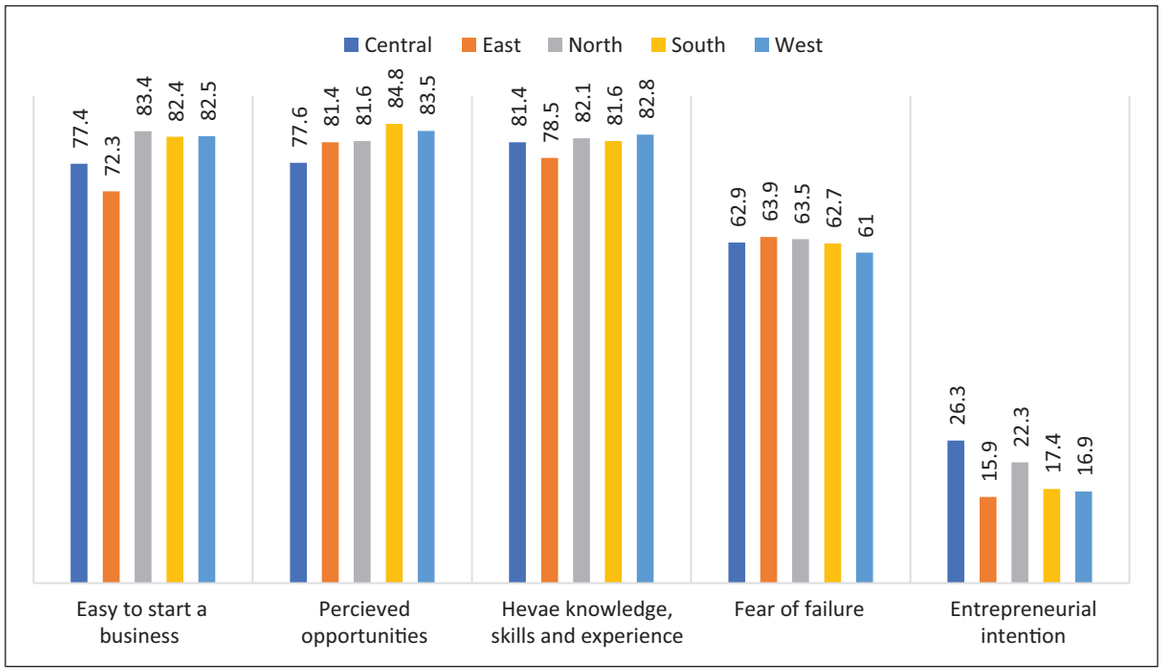


FIGURE 3.3 Perceptions and Attitudes: A comparison of the Indian region

Source: *GEM India Survey 2023–24*

3.4.2 Comparison of Attitudes and Perceptions between Urban and Rural Population Groups

Youth from urban and rural areas reported high levels of all five attributes for starting a business. The data presented in Figure 3.4 indicate that the perception of all five attributes is higher in rural youth than in urban. This suggests that the individual mindset of rural India is growing harmoniously. It indicates that rural youth have high business opportunities recognition, confidence and skills to start a business, and they also perceive starting a business as easy.

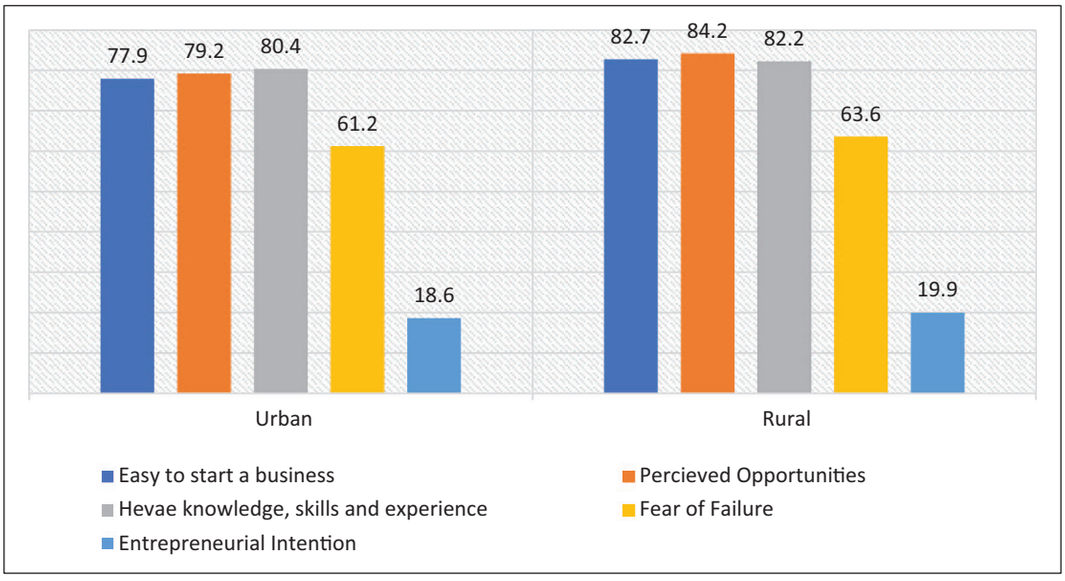


FIGURE 3.4 Perceptions and attitudes: A comparison of the urban and rural locations

Source: *GEM India Survey 2023–24*

However, there is also a high fear of failure among urban and rural populations, with rural being higher than urban. This implies that some significant barriers and risks prevent rural youth from pursuing their entrepreneurial aspirations, such as lack of capital, regulatory hurdles, social stigma, etc. However, entrepreneurial intentions are relatively low among both urban and rural populations, with rural intentions slightly higher than urban ones. This means that only a tiny proportion of the population plans to start a new business in the next three years despite having the opportunity and capability to do so. This could be due to various reasons, such as personal preferences, family obligations, alternative career options, etc.

3.4.3 Total Entrepreneurial Activity in India

Total entrepreneurial activity (TEA) is the percentage of the population involved in new or existing businesses in the country, whereas Establish Business Ownership (EBO) is the percentage of the population who have been doing the same business for more than 42 months. In this section, an attempt is made to understand variations of TEA and EBO age-wise, gender-wise, and location-wise. The results in this section provide an in-depth understanding of entrepreneurial activity in the country.

TEA in Male–Female

The data presented in Figure 3.5 reveal that the Male TEA is significantly higher than their counterpart. This means that fewer females came forward this year to start a business. It suggests that India needs to create a more entrepreneurial ecosystem for female entrepreneurs. However, the data need to reveal the type, quality, or impact of the entrepreneurial ventures undertaken by men and women, which may vary significantly depending on the sector, region, and motivation of the entrepreneurs.

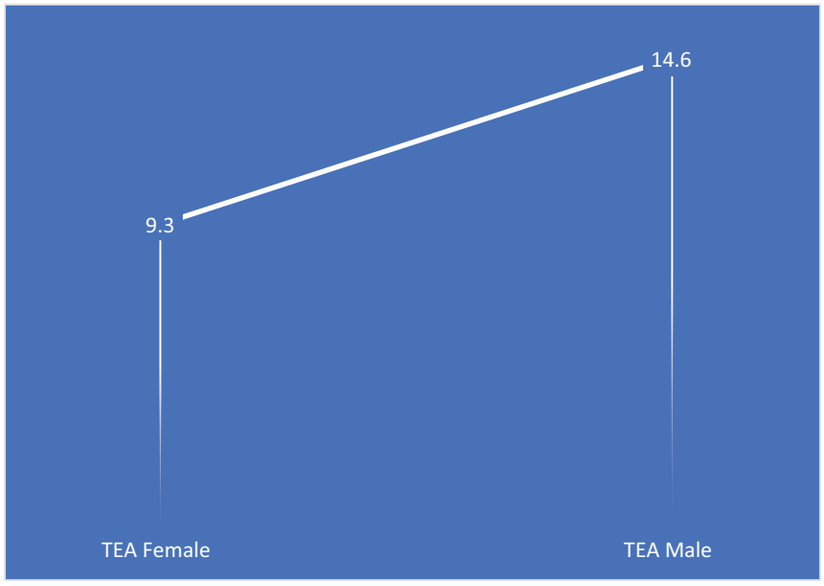


FIGURE 3.5 TEA in males vs females in India

Source: *GEM India Survey 2023–24*

3.4.4 Gender Wise TEA: A Comparison of Low-Income Economies

The data from the adult population survey show the percentage of male and female entrepreneurs in low-income economies. There exists a gender gap in most of the countries. The figure below

depicts the number of male and female adults surveyed engaged in entrepreneurial activity. The percentage of male entrepreneurs is higher in all 13 low-income countries. In Morocco, China, Iran, India, and South Africa, the rate of female entrepreneurial activity is much lower. This could indicate barriers or challenges for women to start or run their businesses in these countries, such as lack of access to finance, education, markets, networks, or social support. It is essential to mention here that the female entrepreneurial activity rate in Thailand, Ecuador and Colombia is higher than that of males. This could suggest that there are more opportunities or incentives for women to engage in entrepreneurial activities in these countries, such as social norms, cultural values, government policies, or personal motivations. However, in Brazil and Jordan, the gender gaps are higher than in other low-income countries. On the other hand, some countries like Mexico and Venezuela have a relatively minor gender gap in entrepreneurial activity rate.

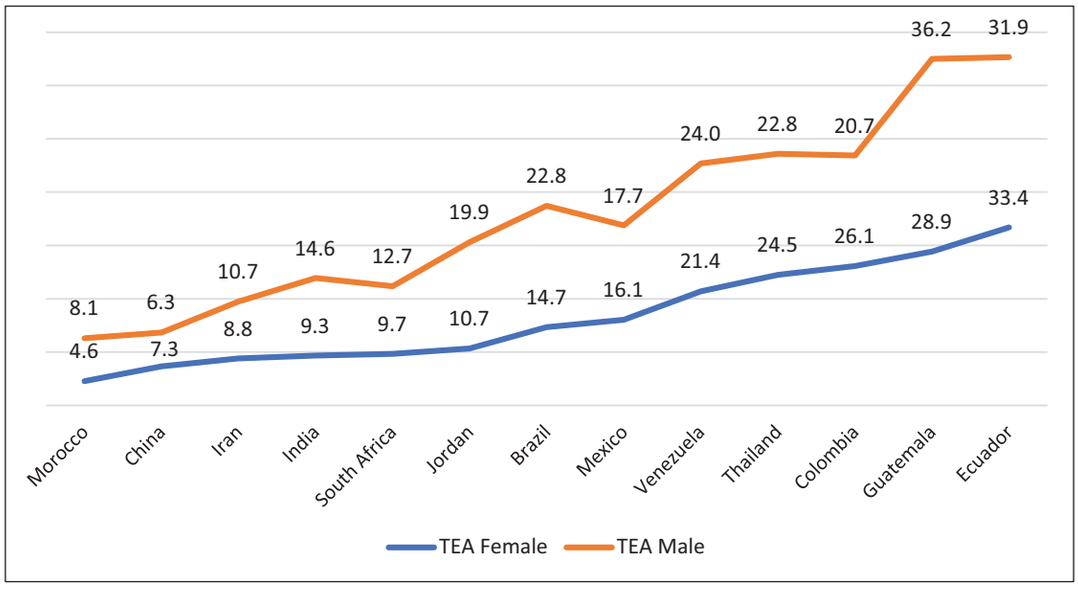


FIGURE 3.6 TEA by gender: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

3.4.5 TEA in India: Region-Wise

The result presented in Figure 3.7 shows that the South region has the highest TEA rate (14.76%), followed by the Central region (13.00%). This indicates that these regions have more people who

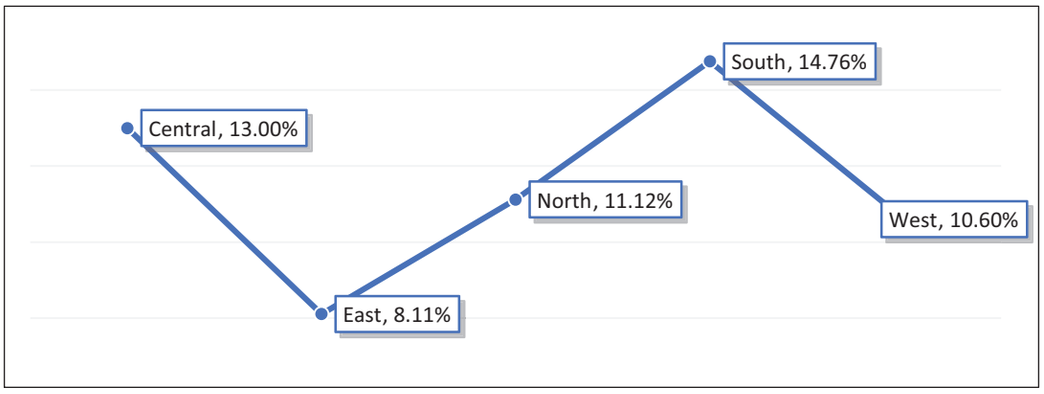


FIGURE 3.7 Region-wise TEA in India (% of the adult population aged 18–64 years)

Source: *GEM India Survey 2023–24*

are either actively involved in starting a new business or who own and manage a company that is less than 42 months old. The East region has the lowest TEA rate (8.11%), which suggests fewer opportunities or incentives for entrepreneurship in this region. The North region has a moderate TEA rate (11.12%), which may reflect a balance between entrepreneurial potential and challenges. The data can be used to compare entrepreneurial activity across regions and identify its influencing factors.

3.4.6 TEA by Age Groups: Comparison of Low-Income Economies

Figure 3.8 shows the percentage of people in different countries involved in early-stage entrepreneurial activity. The data reveal some interesting patterns and comparisons among the nations. The percentage of young entrepreneurs is high in all countries except Morocco and Thailand. For example, Guatemala has the highest percentage of young entrepreneurs (18–34 years) at 35.3%, followed by Ecuador at 34.1%. Brazil and Iran also have relatively high percentages of young entrepreneurs, with 21.9% and 12.9%, respectively. On the other hand, Morocco has the lowest percentage of young entrepreneurs, with 5.5. These differences may reflect each country's economic development, education, culture, and opportunities. The data also show the percentage of people in different countries involved in early-stage entrepreneurial activity in the older age group (35–64 years).

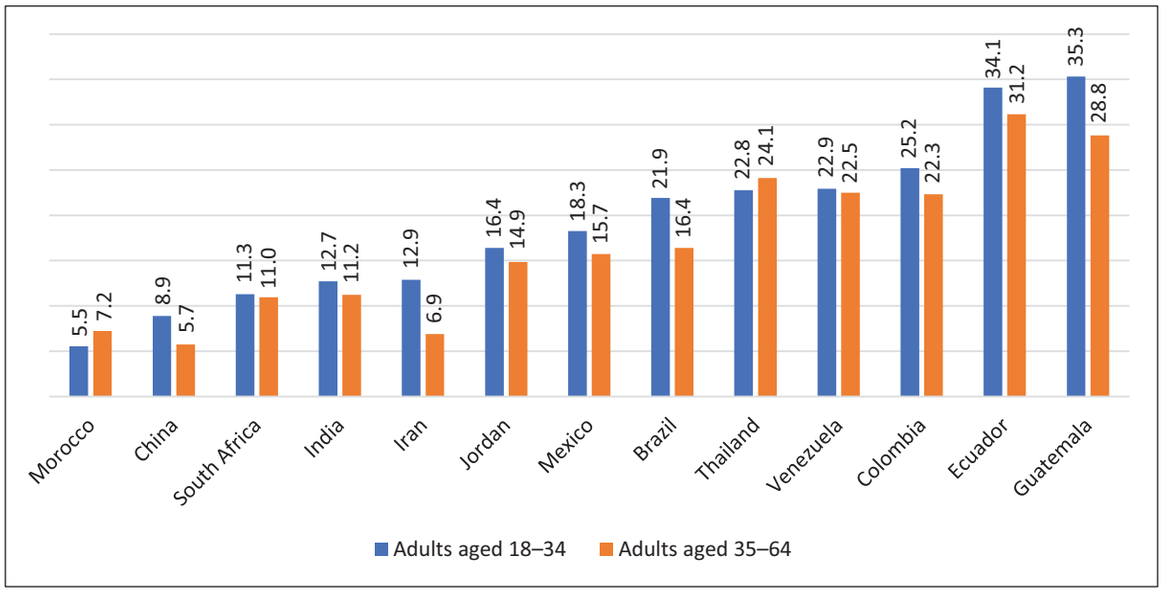


FIGURE 3.8 TEA by age groups in India: A comparison with low-income economies

Source: *GEM India Survey 2023–24*

The data also allow us to compare the percentage of young and older entrepreneurs within each country. The data show that in most countries, there is a higher percentage of young entrepreneurs than older entrepreneurs, except for Morocco and Thailand, where the opposite is true. This may indicate that in Morocco and Thailand, there are more barriers or fewer incentives for young people to start their businesses or that older people have more advantages or opportunities to do so. In contrast, in countries like Guatemala and Ecuador, there is a much higher percentage of young entrepreneurs than older entrepreneurs, which may indicate a robust entrepreneurial culture or spirit among the younger generation or that there are more challenges or risks for older people to start their businesses.

3.4.7 Level of Education and TEA among Adults of Low-Income Economies

The data also show the percentage of graduates and non-graduates involved in early-stage entrepreneurial activity (TEA) in low-income economies. Morocco has almost equal TEA rates among graduates and non-graduates, suggesting no significant difference in the entrepreneurial potential or motivation of the two groups. Morocco may need to focus on enhancing its entrepreneurs' innovation and growth potential, regardless of their educational background.

China and Morocco have the lowest TEA rates among graduates and non-graduates, indicating significant barriers to entrepreneurship in these countries, such as a lack of access to entrepreneurial education and training at the graduate and non-graduate levels. Colombia has the highest TEA rates among non-graduates than graduates, implying that entrepreneurship is more of a necessity than an opportunity for the less educated population. These countries may benefit from policies that improve the quality and relevance of education and skills development for entrepreneurs.

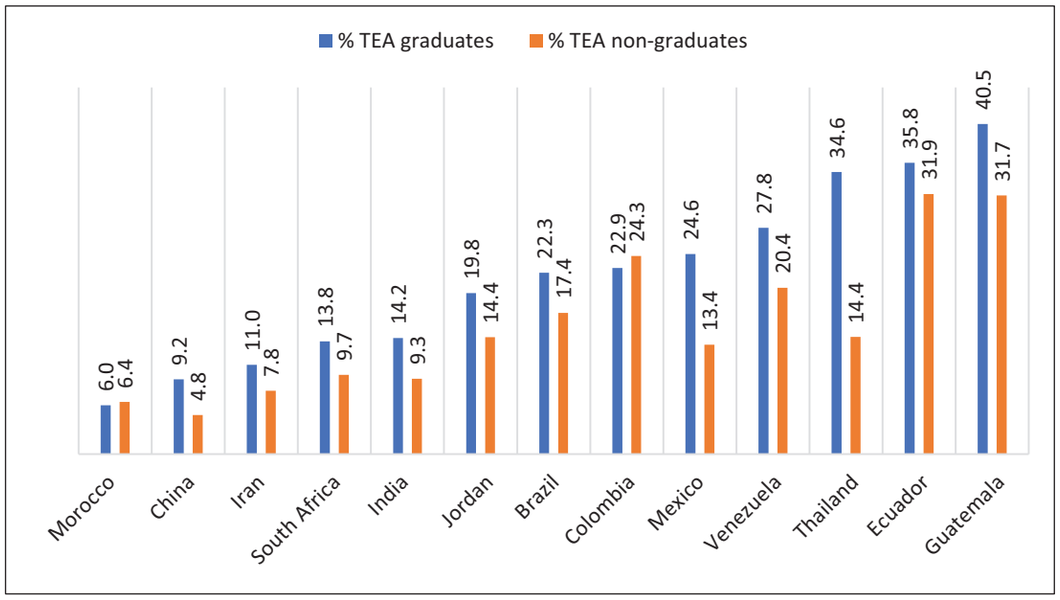


FIGURE 3.9 TEA by education level: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

3.4.8 Know Someone who Started a Business in the Last Two Years

The data in Figure 3.10 show the percentage of adults in each country who know someone who started a business in the last two years. According to the data, in Guatemala, the highest percentage (73.1%) of adults confirm they know someone who started a new business recently, followed by Colombia (72.4%), Brazil (70.9%), and Ecuador (66.6%). This indicates that Guatemala has more people starting or running new businesses than other countries, and new enterprises' visibility is also higher than in other low-income countries. One possible explanation is that Guatemala has a large informal economy, and more informal companies are entering the market.

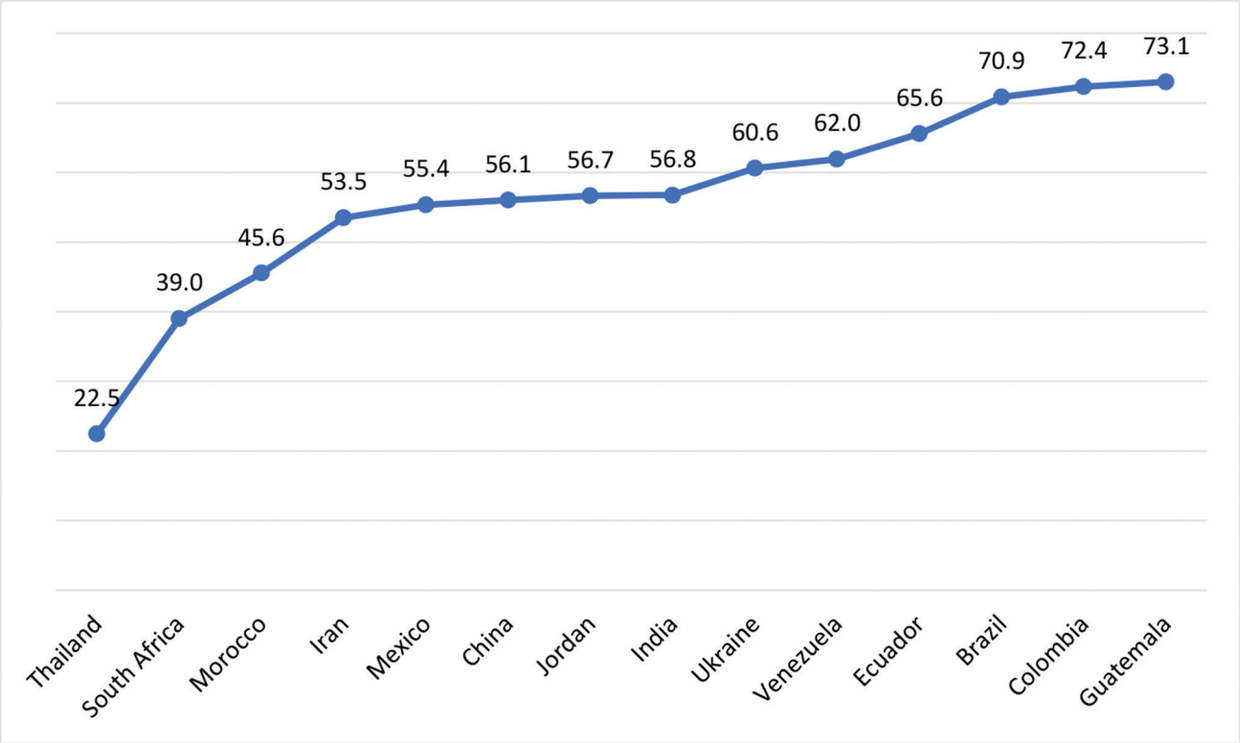


FIGURE 3.10 Know someone who started a business in the last two years: A comparison

Source: *GEM India Survey 2023-24*

3.4.9 TEA and EBO: Comparison of Low-Income Economies

The data show the percentage of adults involved in early-stage entrepreneurial activity (TEA) or established business ownership (EBO) in all 13 low-income economies. According to the data, Guatemala and Thailand have the highest rates of both TEA and EBO. China and Morocco have the lowest rates of both TEA and EBO, while South Africa has a higher TEA and EBO rate than China. India and Iran have almost equal TEA and EBO. This suggests that Iran and India have equal youth involved in new enterprises and established businesses (see Figure 3.11).

3.4.10 Gender-Wise EBO: A Comparison of Low-Income Economies

The data from Figure 3.12 show the percentage of gender-wise established entrepreneurs in low-income economies. There exists a gender gap in most of the countries. The figure below depicts the number of male and female adults surveyed engaged in established business. The percentage of male entrepreneurs is higher in all 13 low-income countries. In Colombia, Mexico, China, Morocco, and Venezuela, the rate of established businesses among females is much lower. This could indicate barriers or challenges for women to start or run their businesses in these countries, such as a lack of social support, education and training for female entrepreneurs, or government support. However, in India, Iran, Brazil, and Guatemala, the gender gaps are higher than in other low-income countries. On the other hand, some countries like Mexico, Colombia, China, and Venezuela have relatively minor gender gaps in entrepreneurial activity rates. The data indicate that India needs to develop conducive ecosystems for female entrepreneurs and provide more support so that this gap can be bridged to ensure the participation of females in entrepreneurial activities.

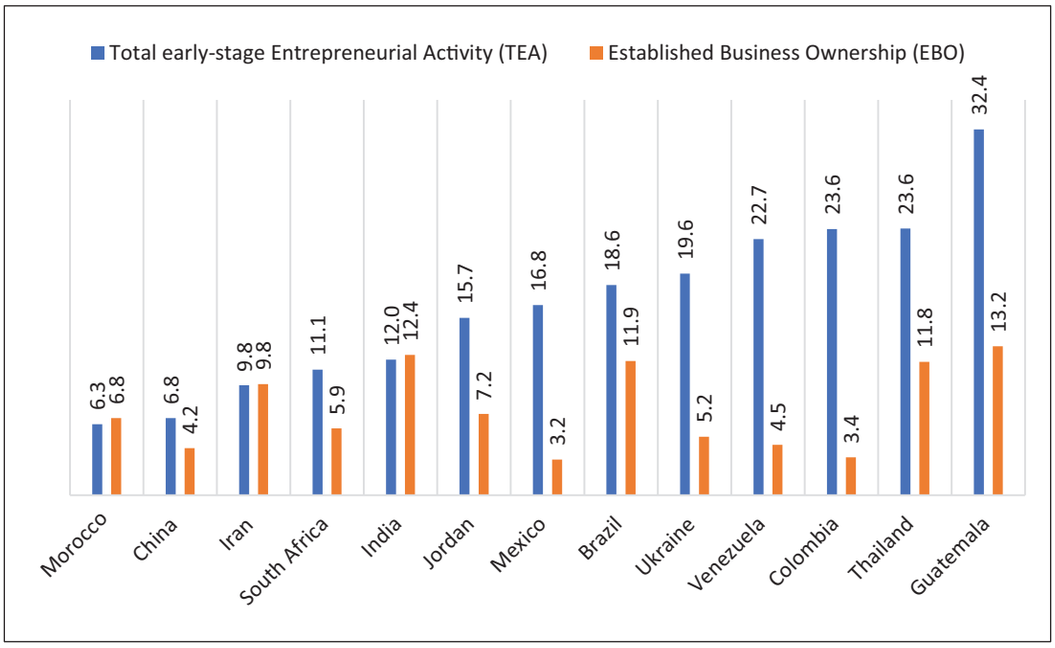


FIGURE 3.11 TEA and EBO: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

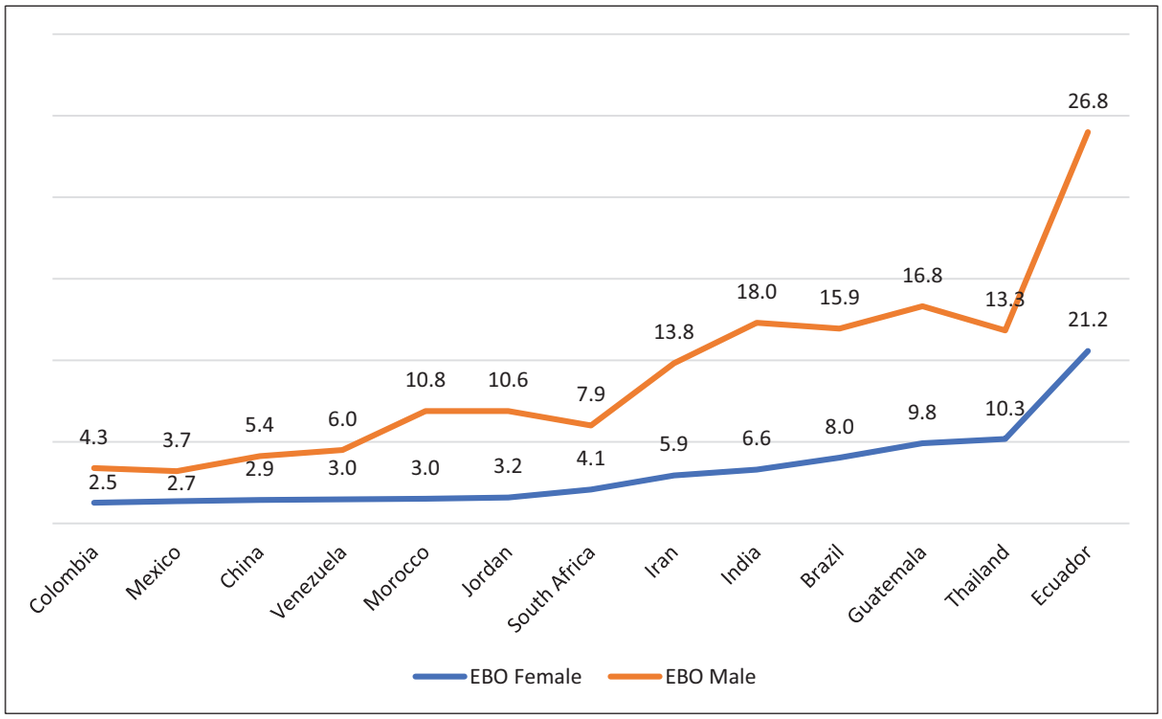


FIGURE 3.12 EBO by Gender: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

3.4.11 EBO by Age Groups: Comparison of Low-Income Economies

Figure 3.13 indicates the percentage of people involved in established entrepreneurship activity in different low-income countries. The data reveal some interesting patterns and comparisons

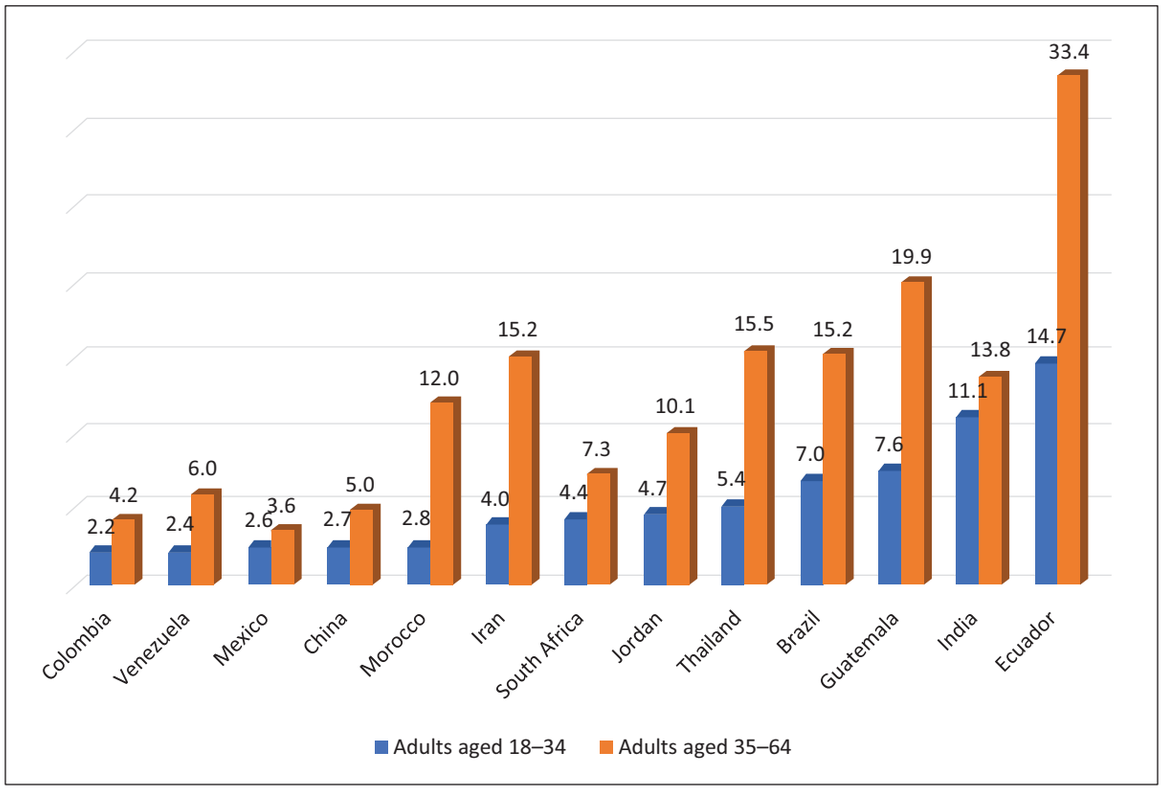


FIGURE 3.13 EBO by Age: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

among the nations. The percentage of established entrepreneurs is high in all countries. For example, Ecuador has the highest percentage of established entrepreneurs (18–34) at 33.4%, followed by Guatemala at 19.9%. Thailand, Brazil, and Iran also have relatively high percentages of established entrepreneurs, with 15.5%, 15.2%, and 15.2%, respectively. On the other hand, Mexico and Colombia have the lowest percentage of established entrepreneurs, with 3.6 and 4.2. These differences may reflect each country's access to finance, government support, education, and training. The data also allow us to compare the percentage of young and older established entrepreneurs within each country. The data show that in most countries, there is a higher percentage of old entrepreneurs than young entrepreneurs.

3.4.12 Starting or Running a Business is more Complicated than Last Year

Figure 3.14 shows the percentage of adults involved in early-stage entrepreneurial activity (TEA) or established business ownership (EBO) who perceived that starting a business is more complicated than a year ago in low-income economies. The data reveal some interesting patterns and insights about the entrepreneurial environment in India and other nations.

In India, a percentage of TEA (47.2%) think starting a business is more complicated than a year ago. It is significantly lower than last year (68%). This implies that the Government of India has made significant efforts to remove or reduce the challenges or barriers. Some factors that could make starting a business less complicated in India are implementing schemes to provide easy access to finance, infrastructure, markets, technology, etc.

A comparison with other countries shows that Iran has the highest percentage of TEA who think starting a business is more complex than a year ago. This could reflect the socio-political instability and high level of competition in Iran. On the other hand, Mexico, South Africa, and Brazil have the lowest percentage of TEAs who think starting a business is more complicated than it was a

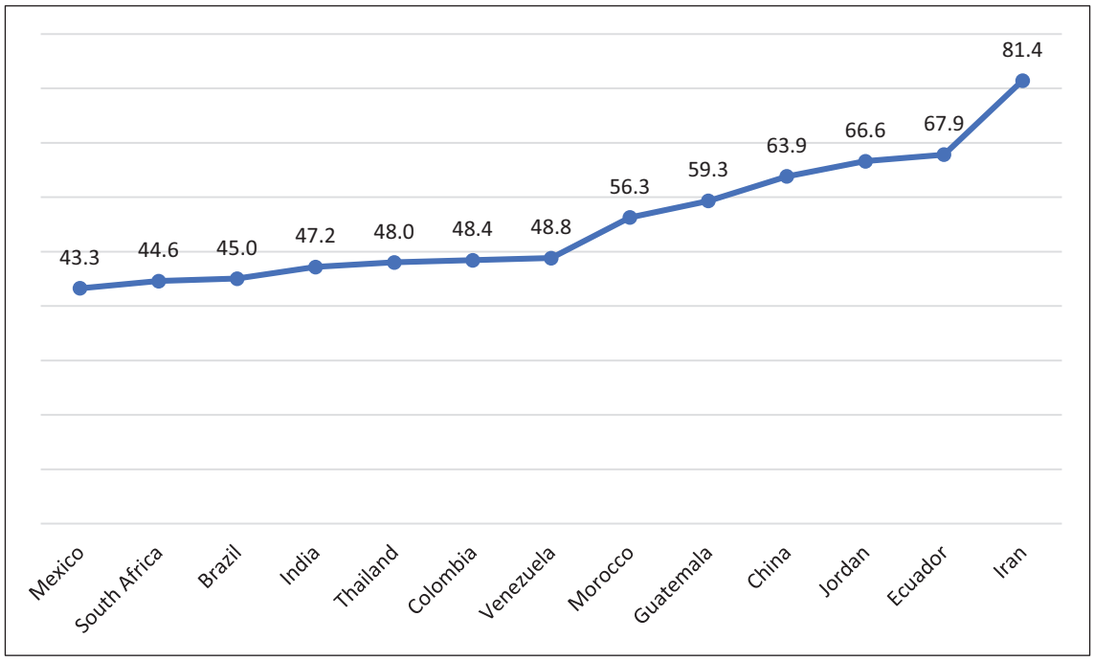


FIGURE 3.14 Starting a business is more complicated than last year

Source: *GEM India Survey 2023–24*

year ago (43.3%, 44.6%, and 45%, respectively). This could indicate that these countries have a more stable and supportive entrepreneurial environment or that their entrepreneurs have lower expectations and ambitions.

3.4.13 Levels of TEA for Six Low-Income Economies between 2019 and 2023

Figure 3.15 shows the percentage of adults involved in total early-stage entrepreneurial activity (TEA) in different low-income economies participating in the Global Entrepreneurship Monitor

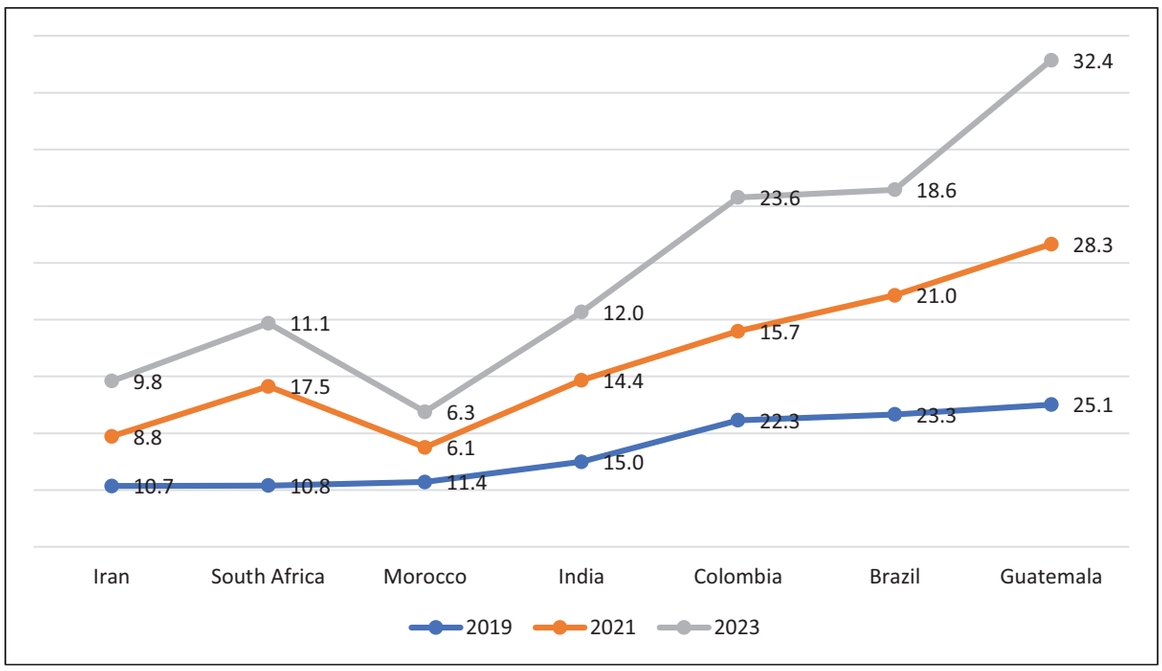


FIGURE 3.15 TEA levels during 2019–23 in low-income economies

Source: *GEM India Survey 2023–24*

(GEM) survey from 2019 to 2023. For example, South Africa sharply increased TEA in 2020 but declined in the following years. India had a significant drop in TEA in 2020, possibly due to the impact of the COVID-19 pandemic, but then recovered in 2021 and 2023. Brazil had a relatively stable and high level of TEA throughout the period, indicating a robust entrepreneurial culture and resilience. Guatemala's economy shows no signs of a decrease due to the pandemic, suggesting a more mature and domestic market.

3.4.14 Individuals who Expect to use more Digital Technologies to Sell Products or Services

The data in Figure 3.16 show the percentage of new and established business owners expecting to use digital technologies for sales and marketing in different low-income countries. The data reveal some interesting patterns and variations across the countries. For example, Brazil has the highest percentage of TEA and EBO entrepreneurs expecting to use digital technologies, followed by Venezuela and Guatemala. China has the lowest rate of new entrepreneurs, followed by India, Jordan, and Iran. However, despite having a relatively high percentage of TEA entrepreneurs, Iran has the lowest rate of EBO entrepreneurs who use digital technologies. This indicates that the government of India needs to promote digital technology among new and existing entrepreneurs.

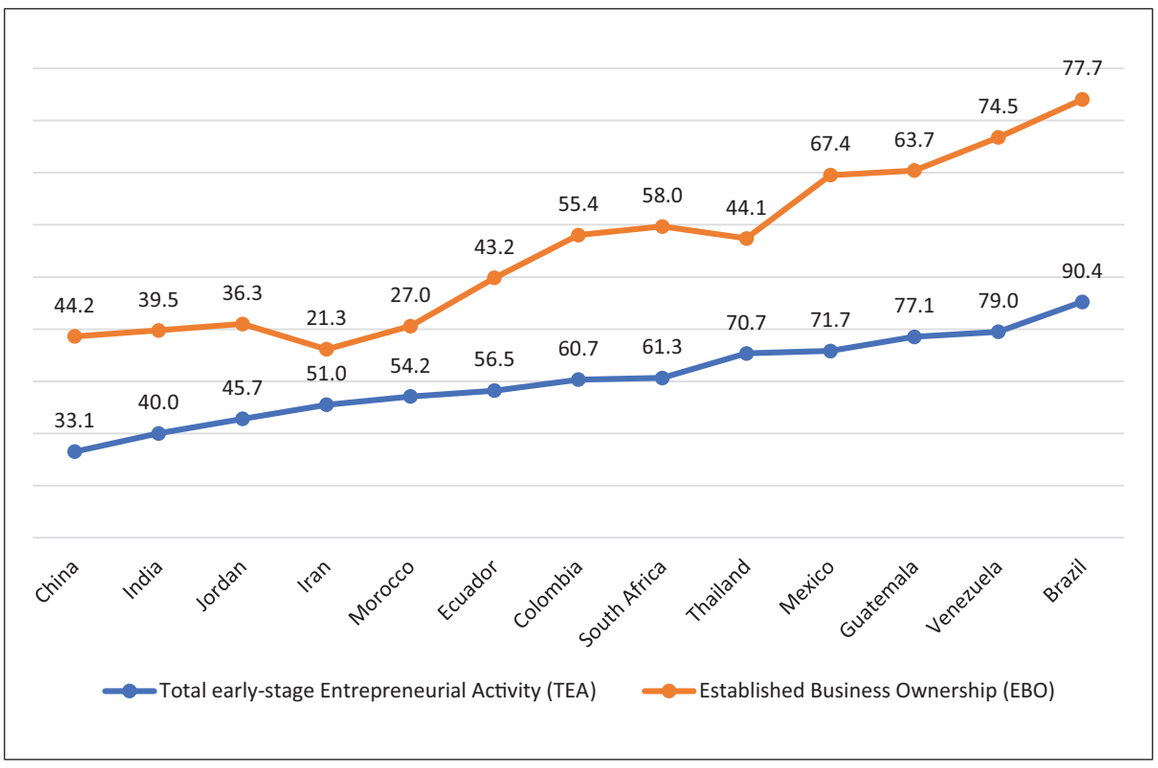


FIGURE 3.16 % of adults starting or running a business who use digital technologies

Source: *GEM India Survey 2023–24*

3.4.15 TEA Percentage (2023–24) Taking Environmental Implications into Account

The data comparison below shows the percentage of Total early-stage Entrepreneurial Activity (TEA) and EBO that always agree to consider their ventures' environmental impact. The figure shows that Brazil, China, Thailand, and Guatemala have the highest percentage of TEA concerned about the environmental impact. In contrast, Morocco, India, and Iran have the lowest of the percentage. The EBO data follow the same order. The analysis reveals that the rate of environmentally concerned businesses has increased in a few of the economies. It is impossible to make a clear statement based on this data as it is rapidly changing. Sustainability and the environment are now more prominent concerns for businesses globally. There is a need for awareness and resources in various countries to make businesses more environmentally friendly.

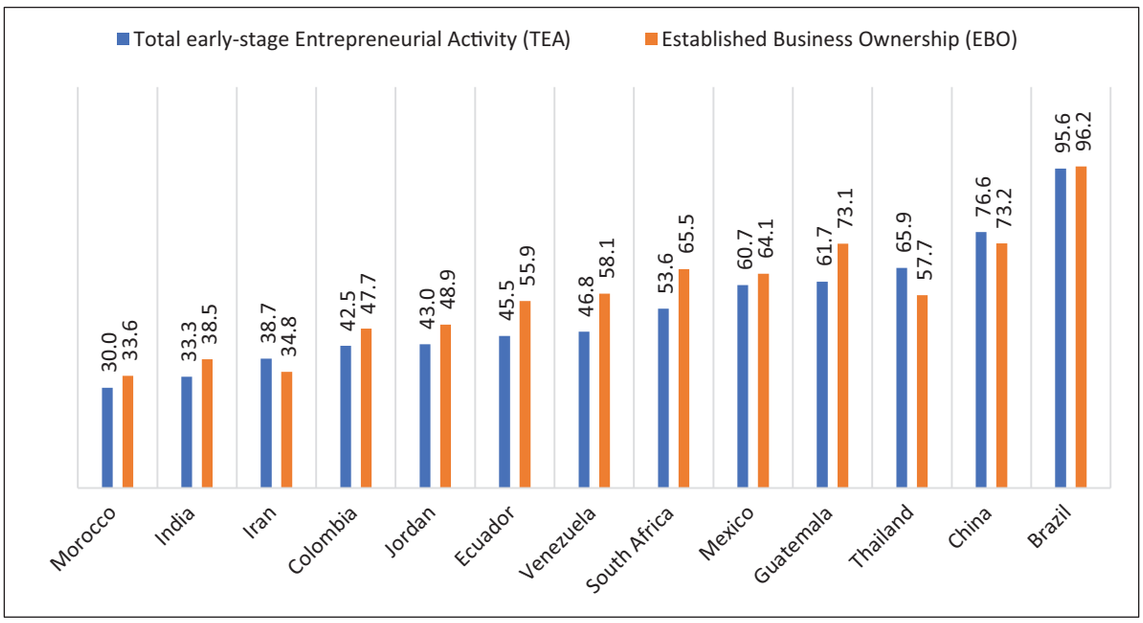


FIGURE 3.17 Keep environmental implications into account

Source: *GEM India Survey 2023–24*

3.4.16 Always Consider Social Implications (%TEA and %EBA)

Based on the data in the figure below, it can said that India has a lower TEA and EBO rate for social implication of the business. It means that new and existing entrepreneurs in India have very low levels of concern for social impact. Brazil, China, and Thailand have very high levels of TEA and EBO rates for social implications of business. This means entrepreneurs should consider social consequences before starting a business. This suggests that these countries have a relatively dynamic and mature entrepreneurial ecosystem with high economic growth and innovation potential. It indicates that India needs improvement in this regard. The government needs to agree to improve in increasing the number of people starting or running new businesses and supporting the development and environmental and social implications. It is essential to consider the social implications of entrepreneurship in a holistic and nuanced way and to balance the economic, social, and environmental goals of entrepreneurship with the needs and aspirations of different stakeholders in society.

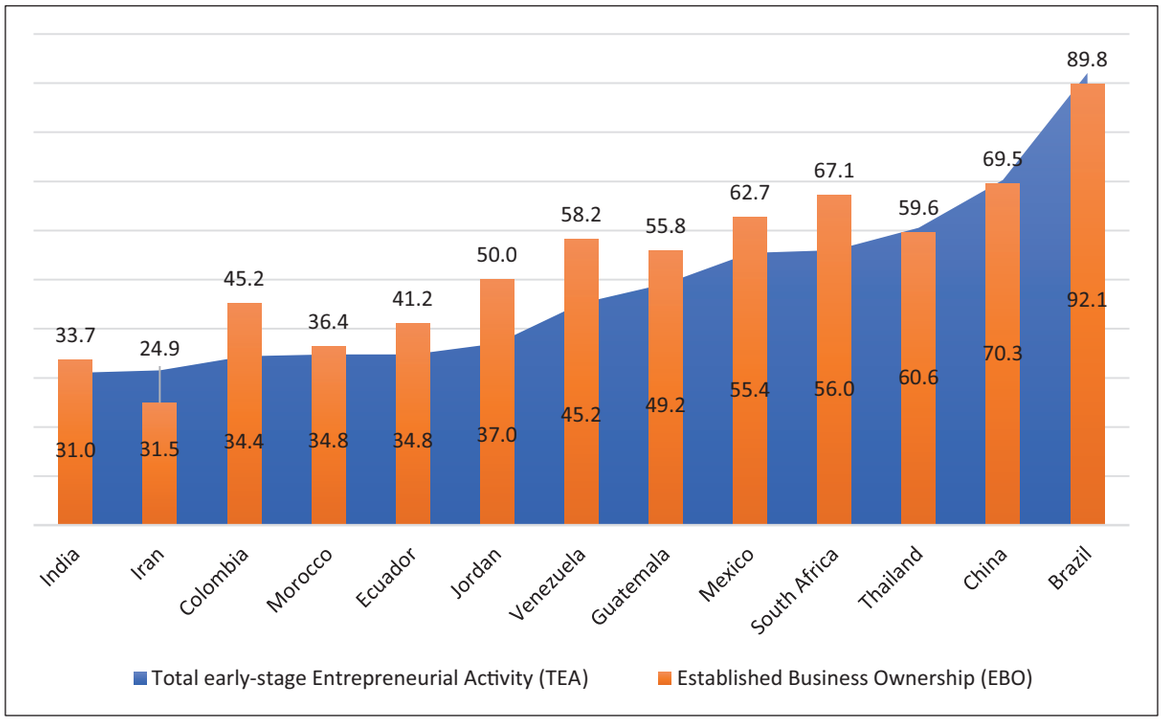


FIGURE 3.18 Always consider the social implications of my business

Source: *GEM India Survey 2023–24*

3.4.17 Entrepreneurial Activity and the United Nations Sustainable Development Goals (SDGs)

It is accepted across the globe that climate change is mainly caused by human activity, measurable by the tangible effects of increasing global temperatures, drought, and extreme weather events. It forced people to try to live and work sustainably. There are rising concerns about poverty and inclusion, especially given the impact of recent crises. The United Nations Sustainable Development Goals (SDGs) included these pressures, gradually working themselves into the business environment and the consciousness of entrepreneurs and consumers. To understand these issues, GEM explores the impact of entrepreneurs on these goals and ascertains whether there are changes in entrepreneurial behaviours that can be related to the goals.

In 2023, 9 of the national teams from low-income countries asked this question, and the percentage of new entrepreneurs confirming that they had identified an SDG as a priority is shown in Figure 3.19. The lowest levels were in Morocco, Ecuador, and Jordan, while the highest were in China, Thailand, and South Africa, since high and low levels can be found in all income groups and all regions.

3.4.18 Business Exit and Discontinuation

The business exit process holds significant importance when considering prospects and plays a crucial role in the overall growth of entrepreneurship within a country. Business exits and Total Entrepreneurial Activity (TEA) vary across different economies. The discontinuation and exits of individuals can be attributed to significant factors such as economic conditions, personal circumstances, and financial considerations. Individuals may choose to leave a business for two primary reasons: to participate in or establish a new business or to terminate their involvement in an existing enterprise.

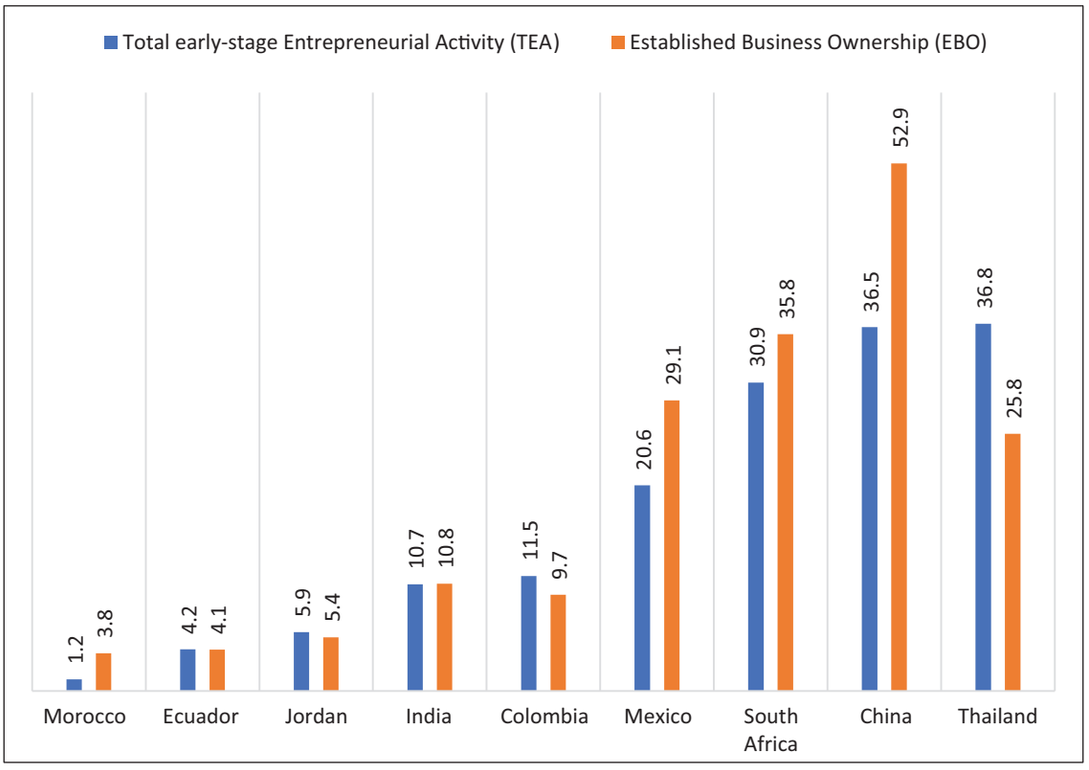


FIGURE 3.19 TEA and UN sustainable development goals (SDGs) in low-income economies

Source: *GEM India Survey 2023–24*

Figure 3.20 compares the business exit and continued and the business exit and did not continue. India also has a low business exit rate (4.4%), similar to Colombia. From this 4.4% of discontinuation, about half (2%) of the businesses are still functional. This implies that Indian entrepreneurs are more resilient and persistent in running their businesses despite difficulties. Ukraine, Venezuela, Mexico, and Brazil have high business discontinuation rates.

3.4.19 Reasons for Exit

Figure 3.21 depicts the statistical division for three primary reasons for business exit in 13 countries. The data reveal that India and China have the lowest percentage of negative reasons, not including the COVID-19 pandemic, and Iran has the lowest rate of COVID-19-related reasons. This suggests that in relation to other countries, India and the above-listed countries felt a lower impact of a pandemic. It also shows the economic resilience of the Indian economy.

On the other hand, Mexico has the highest percentage of positive reasons for their business exit (2.9%), indicating a high level of optimism and resilience among Indians. This could be attributed to various factors, such as cultural values, social support, or economic opportunities.

3.4.20 Popular Sectors for Starting a Business

Figure 3.22 shows the percentage of business orientation in low-income countries. Business-oriented services include consulting, accounting, legal services, etc. Consumer-oriented services include retail, hospitality, education, etc.

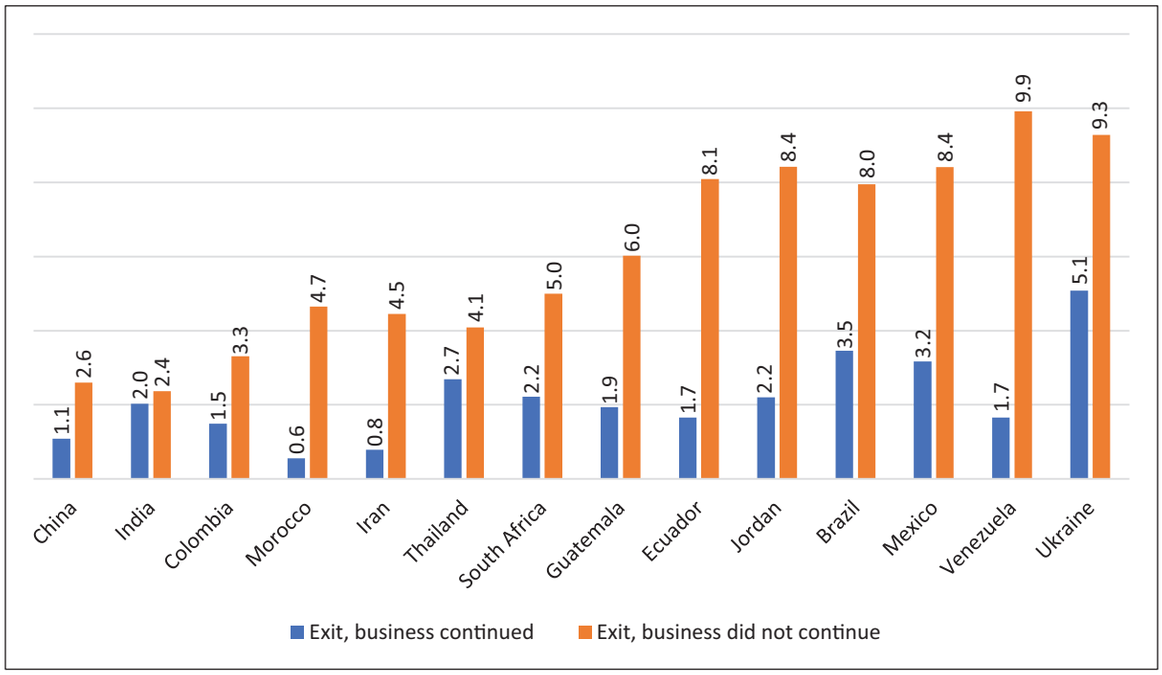


FIGURE 3.20 Business exit rate in low-income economies

Source: *GEM India Survey 2023–24*

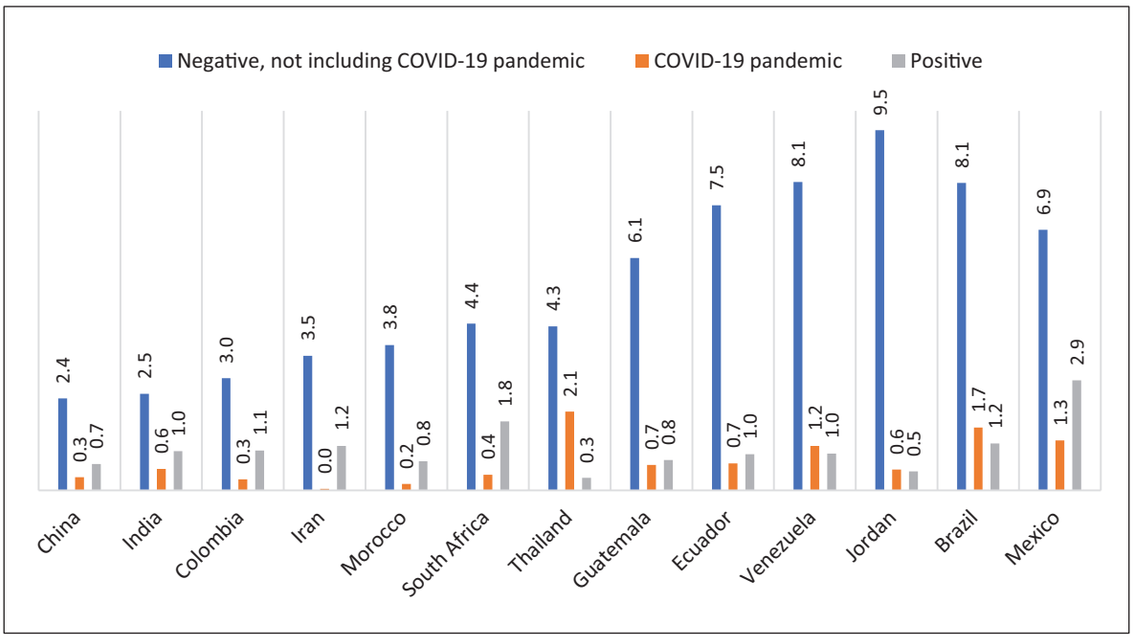


FIGURE 3.21 Business exit reasons: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

Consumer-oriented services are the most popular sector for starting a business across low-income countries. The primary reason for the consumer-oriented industry in the country is that micro-enterprises prevail in every corner of the low-income economies. The micro-enterprise number in India goes beyond 63 million, and these businesses are mainly engaged in home-based retail

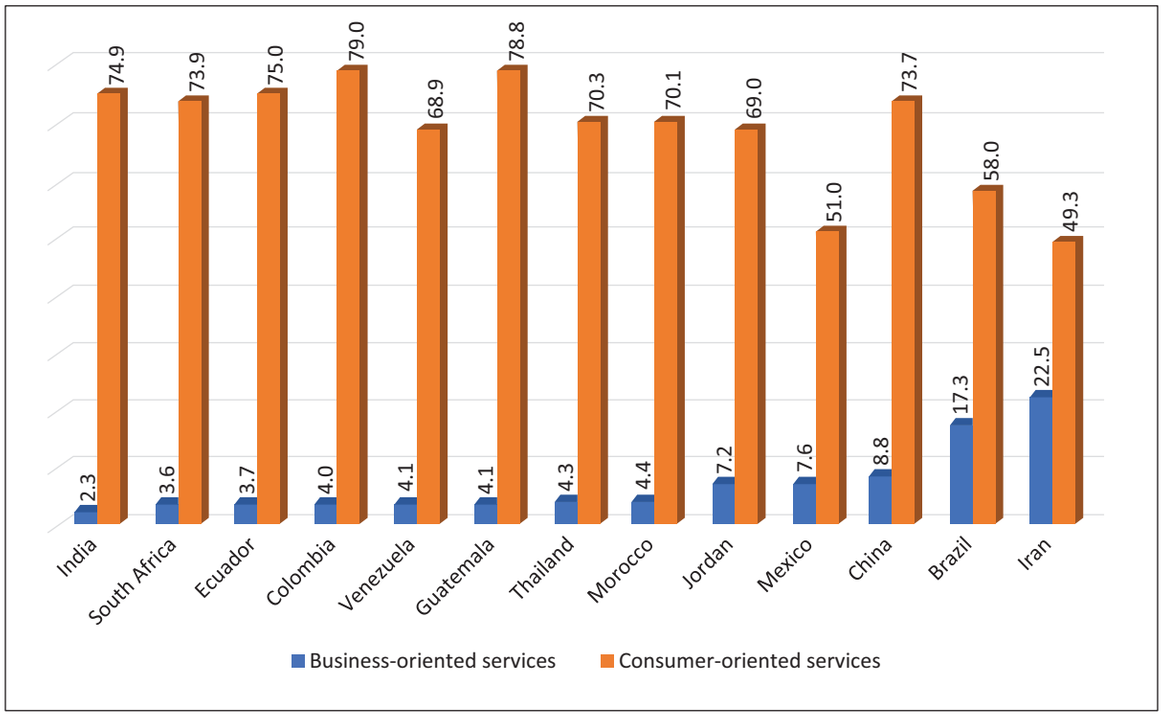


FIGURE 3.22 Sector choices for starting a business: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

shops, small outlets, and stores. India has a similar pattern to the other low-income countries, with consumer-oriented services being the most popular sector (74.9%) and 2.3% business-oriented services. Among low-income countries, Iran, Brazil, and China have more enterprises with business-oriented services.

3.4.21 Motivation for Entrepreneurship

The main driver of new business formation is personal motivation. The motivational questions in this most recent 2023–24 data survey are more precisely composed, and they strive to understand what drives people to become entrepreneurs worldwide. The lack of jobs and opportunities, the expanding market, and familial considerations are India's primary drivers of business motivation. The availability of resources for an individual affects their motivation to engage in entrepreneurial activity (Aldrich & Zimmer, 1986).

Figure 3.23 shows the percentage of entrepreneurs in different countries who reported various motivations for starting a business. One of the motivations is "to make a difference in the world", which reflects a social or environmental purpose. Another motivation is "to build great wealth or very high income", indicating a financial goal. The other two causes are "to continue a family tradition" and "to earn a living because jobs are scarce", which suggest a cultural or survival reason.

According to the figure below, India, Guatemala, and Brazil have the highest percentage of entrepreneurs who want to make a difference, ranging from 83.8% to 76.5%. These countries also have high percentages of entrepreneurs who want to build wealth or income.

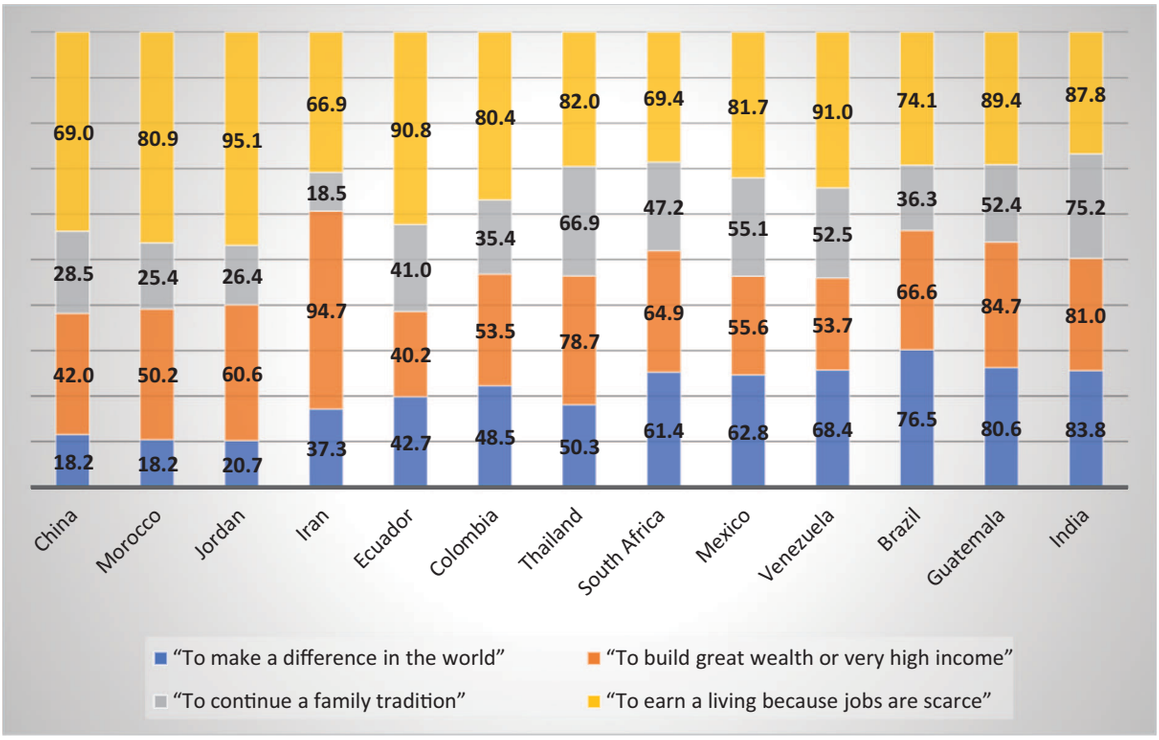


FIGURE 3.23 Entrepreneurial motivation: A comparison of low-income economies

Source: *GEM India Survey 2023–24*

3.4.22 Growth Expectation

One of the critical indicators of the APS is the growth expectation, which measures the percentage of entrepreneurs who expect to create more than five jobs in the next five years.

3.4.23 Employment Projection for the Next Five Years by TEA in India

Various factors, such as the availability of finance, human capital, market opportunities, innovation, infrastructure, and policies, influence the growth expectations of Indian entrepreneurs. The figure below shows the percentage of entrepreneurs in different countries who expect to create various jobs in the next five years. For example, 6.3% of Brazilian entrepreneurs expect to create no jobs, 6.5% in Brazil expect to create 1-5 jobs, and 5.8% expect to create six or more jobs. The table shows that India has a low percentage of entrepreneurs who expect to create six or more jobs (1.0%) compared to other countries such as Brazil (5.8%) and Thailand (7.6%). This may indicate that Indian entrepreneurs face more challenges or barriers to scaling up their businesses or have different growth aspirations or opportunities than entrepreneurs in other countries.

3.4.24 Adults Starting a New Business with Products or Services New to their Area, Country, or World

In the figure below, data highlight the percentage of adults who started a new business with new products or services in different countries. It compares the level of novelty of the products or services, whether they were new to the local area, the national market, or the global market.

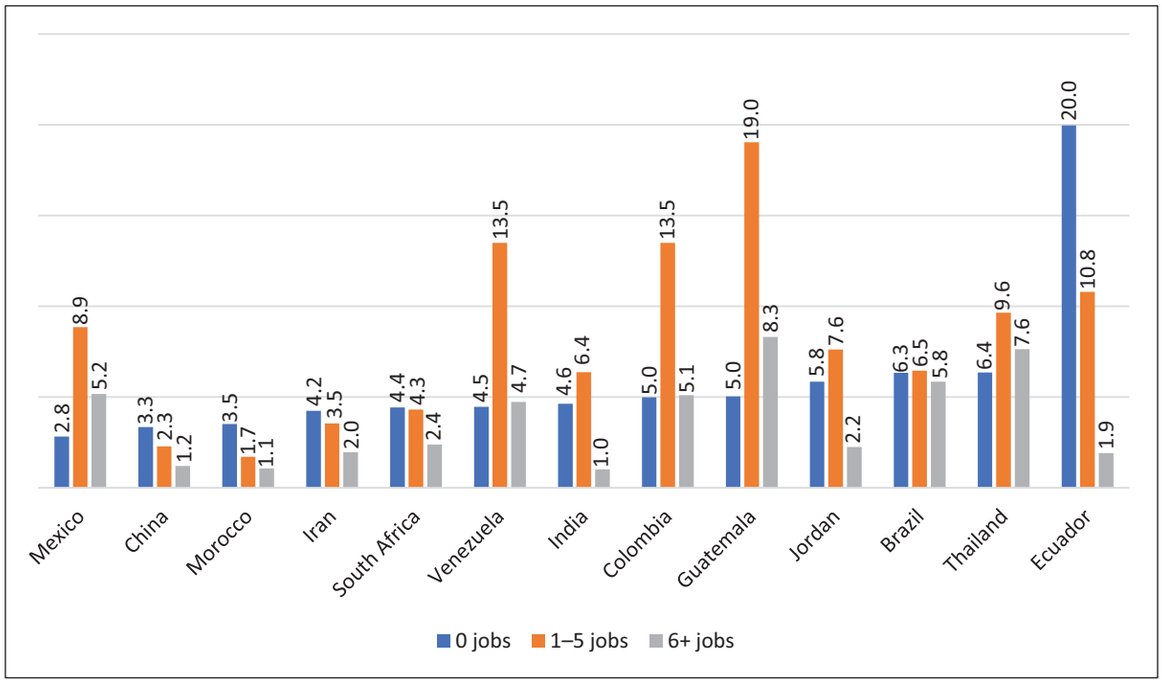


FIGURE 3.24 Employment projection for the next five years

Source: *GEM India Survey 2023–24*

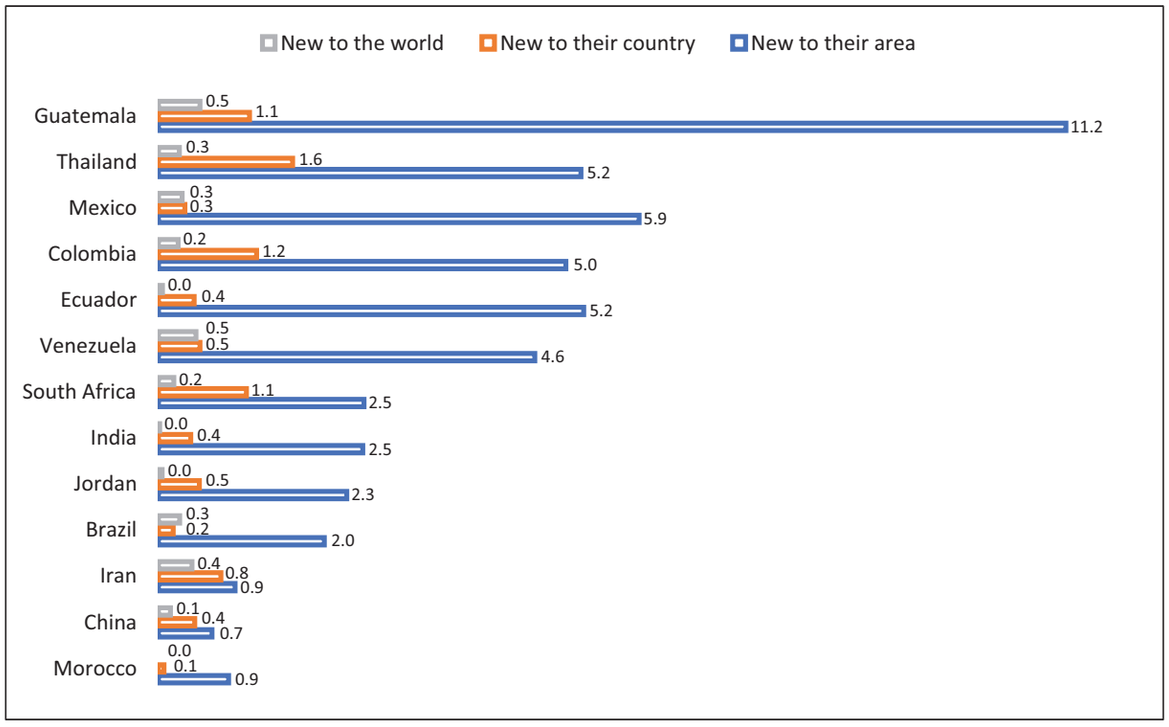


FIGURE 3.25 Percentage of adults in new business with a new product or service

Source: *GEM India Survey 2023–24*

According to the data, Venezuela and Guatemala have the highest percentage of adults who started a new business with products or services new to the world (0.5%), followed by Iran, Colombia, and India (0.4%). No single entrepreneur from India has reported having products new

to the world. Even the percentage of entrepreneurs is low in India's other two parameters. This suggests that Indian entrepreneurs must introduce creativity and innovation in their businesses.

3.4.25 Adults Starting a New Business with a New Technology or Procedure New to their Area and Country

In the figure below, data highlight the percentage of adults who started a new business with a new technology or procedure in different low-income economies. It compares the level of technology or process, whether they were new to the local area or the national market.

The highest percentage of adults starting up with new technology new to their area is in Guatemala, Mexico, Thailand, and Colombia. The data indicate that in India, 2.8% of individuals have started a new business with a new technology. According to the data, Thailand has the highest percentage of adults who started a new company with products or services new to their countries (1.7%), followed by Colombia (1.4%) and Mexico (1.1%). This also suggests that Indian entrepreneurs must introduce new technology in their businesses.

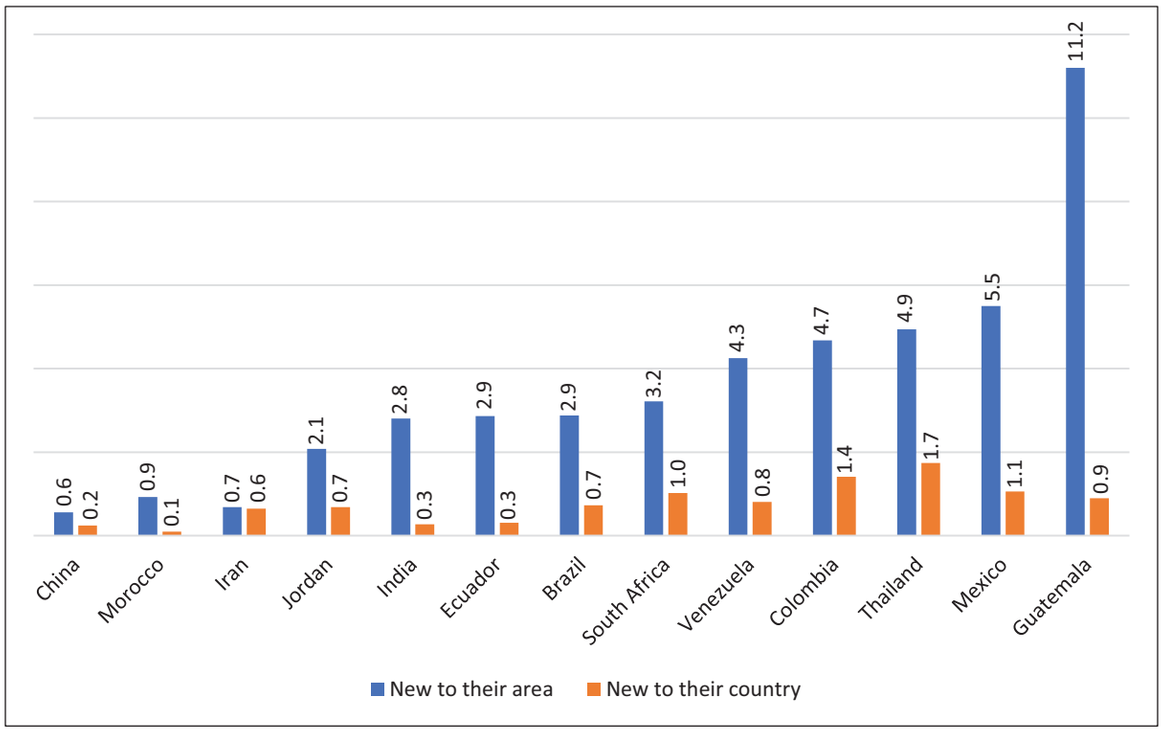


FIGURE 3.26 Percentage of adults in new business with a new product or service

Source: *GEM India Survey 2023–24*

Contemporary Entrepreneurial Framework Conditions in India

4

The Global Entrepreneurship Monitor (GEM) assesses the entrepreneurial context of economies worldwide through the Entrepreneurship Framework Conditions (EFCs). These key indicators, derived from over 25 years of GEM research and expertise, evaluate the environment that fosters or hinders entrepreneurship. The EFCs comprise nine major factors (as illustrated in Figure 4.1) that influence entrepreneurial opportunities, capacity, and preferences. As these dimensions vary across regions and economies, contextual analysis is essential. Notably, many EFCs are directly influenced by government policies and priorities, reflecting their impact on entrepreneurship development. These dimensions are:

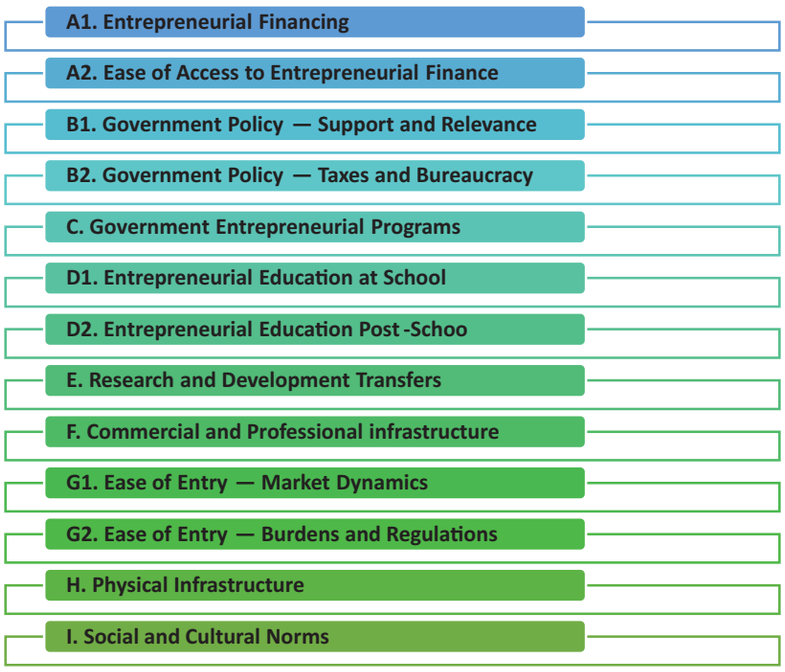


FIGURE 4.1 Entrepreneurial framework conditions

Source: *GEM India Survey 2023–24*

The Global Entrepreneurship Monitor (GEM) assesses Entrepreneurial Framework Conditions (EFCs) by surveying national experts' perceptual judgements. In India, this survey is conducted among at least 72 experts, carefully selected and approved by the GEM India Team. Each expert evaluates several statements comprising the Framework Conditions using an 11-point Likert scale (0-10). They assess the truthfulness of each statement, ranging from "completely false" (0) to "neither true nor false" (5) to "completely true" (10). The 2023-24 NES included questions on two new topics: Women Entrepreneurship, and actions supporting the United Nations Sustainable Development Goals (SDGs).

4.1 Entrepreneurial Framework Conditions (EFCs) in India

The 2023–24 GEM study includes various Entrepreneurial Framework Conditions that help to understand the entrepreneurial ecosystem's condition of the country. The conditions of the Indian entrepreneurial framework are split into different classifications for a thorough examination. This creates a comprehensive list of eighteen factors, namely: (1) sufficiency of financing for entrepreneurs, (2) easiness of getting financing for entrepreneurs, (3) government concrete

policies: support and relevance, (4) government policies: taxes and bureaucracy, (5) government entrepreneurial programs, (6) entrepreneurial education at school level, (7) entrepreneurial education at post-school level, (8) research and development transfers, (9) commercial and professional infrastructure access, (10) ease of entry – market dynamics, (11) ease of entry – burdens and regulations, (12) physical infrastructures, (13) cultural and social norms, (14) women entrepreneurship, and (15) actions supporting the United Nations Sustainable Development Goals (SDGs).

The Entrepreneurial Framework Conditions (EFCs) in India are evaluated on a scale of 0–10, with a midpoint score of 5.0 indicating adequacy or sufficiency. As depicted in Figure 4.2, national experts have assessed all EFCs in India as satisfactory or better, reflecting a favourable environment for new and growing firms in the country.

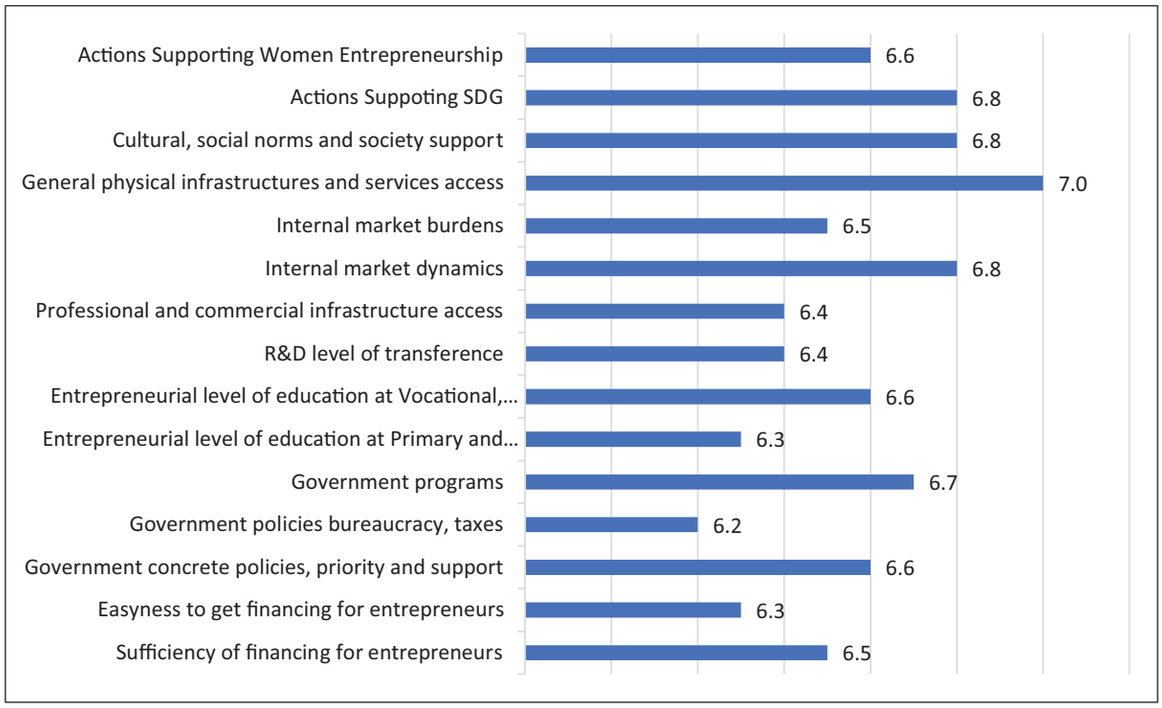


FIGURE 4.2 Entrepreneurial framework conditions in India

Source: *GEM India Survey 2023-24*

4.2 Entrepreneurship Framework Conditions: Comparison of Global Average

The average India's EFCs are better than the global average in all the factors. India has performed competently in the sufficiency of finance, ease of getting finance, government policies, government programmes, entrepreneurial education at primary, secondary, & university levels, and for R&D level of transference. The country is adding across pillars for an enhanced entrepreneurial ecosystem. General physical infrastructures and services access and internal market dynamics are the most progressive conditions in India.

Only three EFCs were scored as adequate or better in all 13 low-income economies. In India, all EFCs were rated as adequate or sufficient (Figure 4.4). The results presented in Figure 4.4 also indicate that India's score was higher on 13 EFCs among all participating low economies.

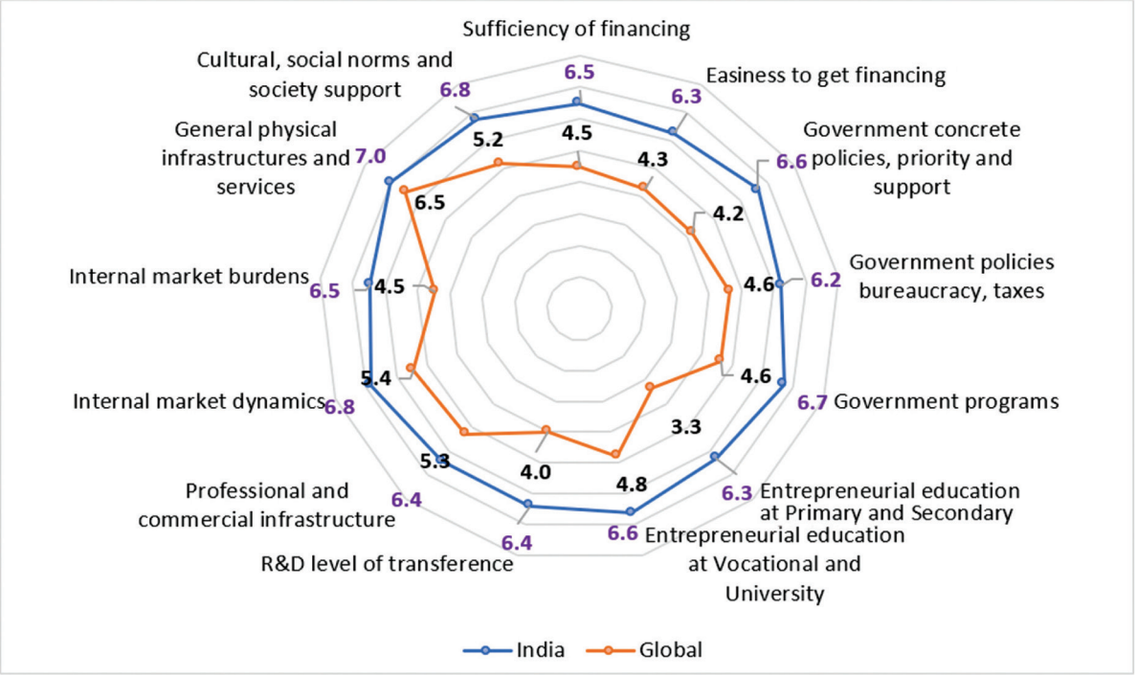


FIGURE 4.3 Entrepreneurial framework conditions in India and global average

Source: *GEM India Survey 2023-24*

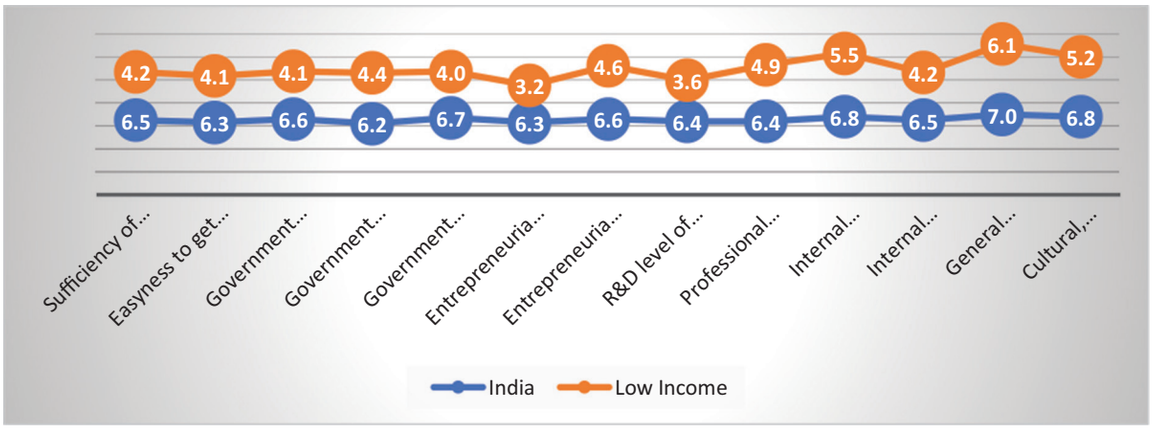


FIGURE 4.4 Entrepreneurial framework conditions in India and low-income groups

Source: *GEM India Survey 2023–24*

4.3 Entrepreneurship Financing in India: Financial Environment

Entrepreneurship financing is a critical framework condition that encompasses the availability of financial resources for entrepreneurs. This includes equity and debt financing, as well as grants and subsidies. In India, the financial ecosystem for entrepreneurs is highly supportive. The country allocates significant resources annually to strengthen this ecosystem. This parameter has eight further indicators, which try to analyse equity funding, debt funding, government subsidies, funding from informal investors including friends and family, professional business angels funding, venture capitalists funding, initial public offerings, and micro-funding, which includes popular options like crowdfunding. Amongst all these parameters, the availability of government subsidies is the most vigorous indicator, followed by venture capital funding and

debt funding. The financial ecosystem has consistently improved, building on last year's progress. This suggests that government initiatives are being effectively implemented, yielding positive results compared to the previous year. Figure 4.5 indicates that the availability of government subsidy funding got the highest rating among all financial indicators.

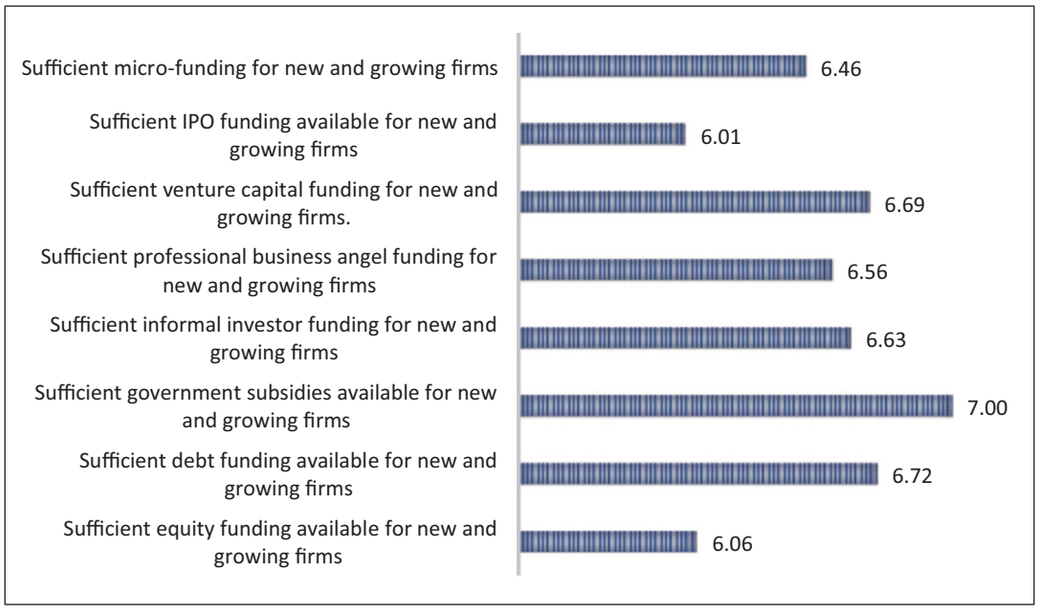


FIGURE 4.5 Financial environment

Source: *GEM India Survey 2023–24*

4.4 Easiness to Get Financing for Entrepreneurs

Access to finance is a vital component of a thriving entrepreneurship ecosystem. Governments and institutions are actively supporting start-ups and growing firms. However, entrepreneurs often struggle to access affordable financial services. A significant challenge for new and existing entrepreneurs is securing sufficient seed capital to cover start-up and early-stage expenses. This

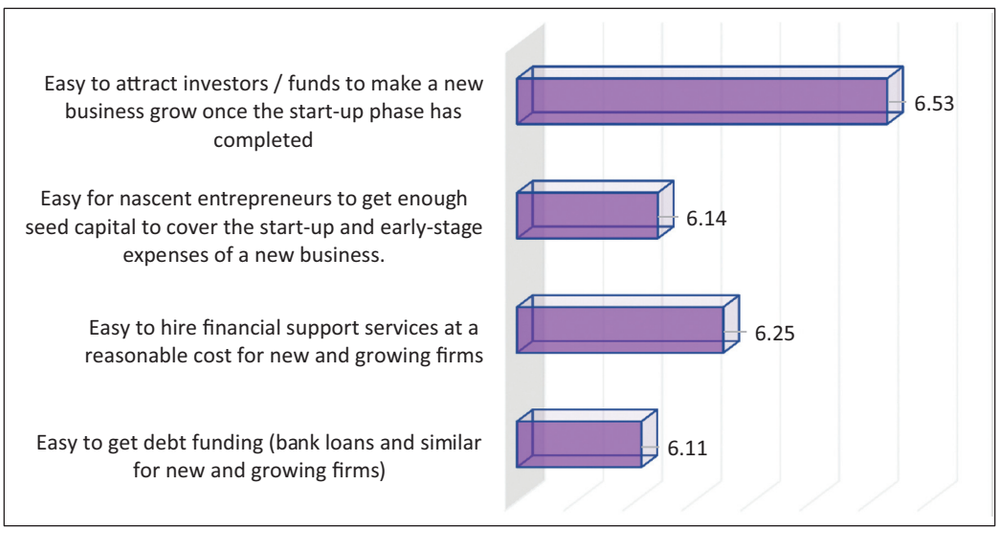


FIGURE 4.6 Easiness to get financing for entrepreneurs

Source: *GEM India Survey 2023–24*

hurdle can hinder business growth and innovation. Borrowing from banks and other sources is not easy; however, it gets more difficult for new and growing firms. In India, all indicators of ease of getting funds were rated as adequate or sufficient. It can be seen in Figure 4.6 that funding from investors is rated highly by experts, which means that formal and informal investors are investing in business.

4.5 Government Policy — Support and Relevance in India

Government policies – support and relevance – play a crucial role in fostering entrepreneurship. This dimension assesses the extent to which public procedures and policies promote enterprises. Three key indicators measure the effectiveness of government policy (as shown in Figure 4.7). Notably, national-level support for start-ups and growing firms surpasses local-level support, indicating the central government's concerted efforts to promote entrepreneurship nationwide.

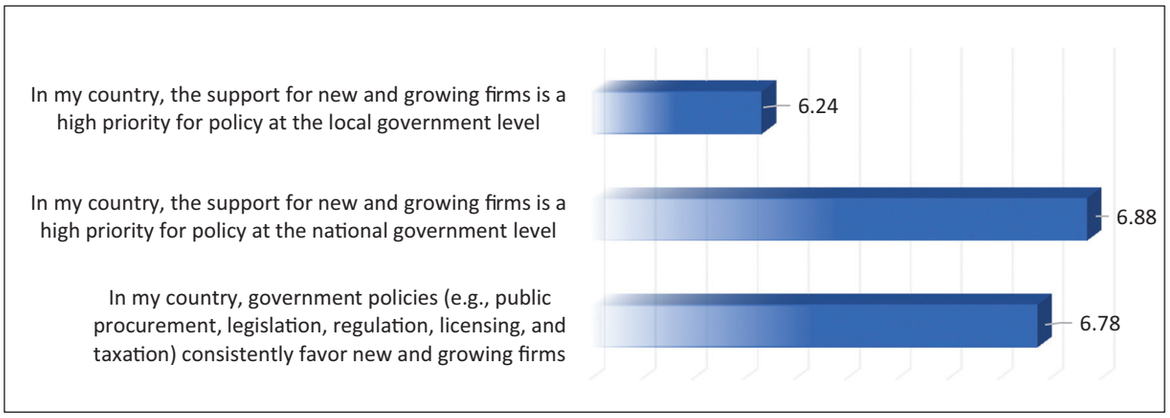


FIGURE 4.7 Easiness to get financing for entrepreneurs

Source: *GEM India Survey 2023–24*

4.6 Government Policy — Taxes and Bureaucracy in India

The second sub-dimension of government policy encompasses taxes and bureaucracy, focusing on regulations that support new and growing firms. This parameter is evaluated through five indicators. According to GEM India expert opinions, the government has made significant strides in facilitating business registration at a reasonable cost. Moreover, the registration process has become more efficient, with a notable decrease in processing time compared to the previous year (Figure 4.8). However, experts suggest that there is still room for improvement in creating entrepreneur-friendly policies, particularly in shifting the mindset surrounding taxes.

4.7 Government Entrepreneurial Programs in India

The government has introduced various entrepreneurship programs at both federal and local levels, aiming to support potential and existing entrepreneurs through competency and skill-building initiatives. As shown in Figure 4.9, these programs have effectively supported new and growing firms. However, the 2023-24 survey revealed that experts rated the accessibility of government programs lower compared to other indicators in this dimension. This suggests that while the programs are effective, there is room for improvement in making them more accessible to new and growing firms.

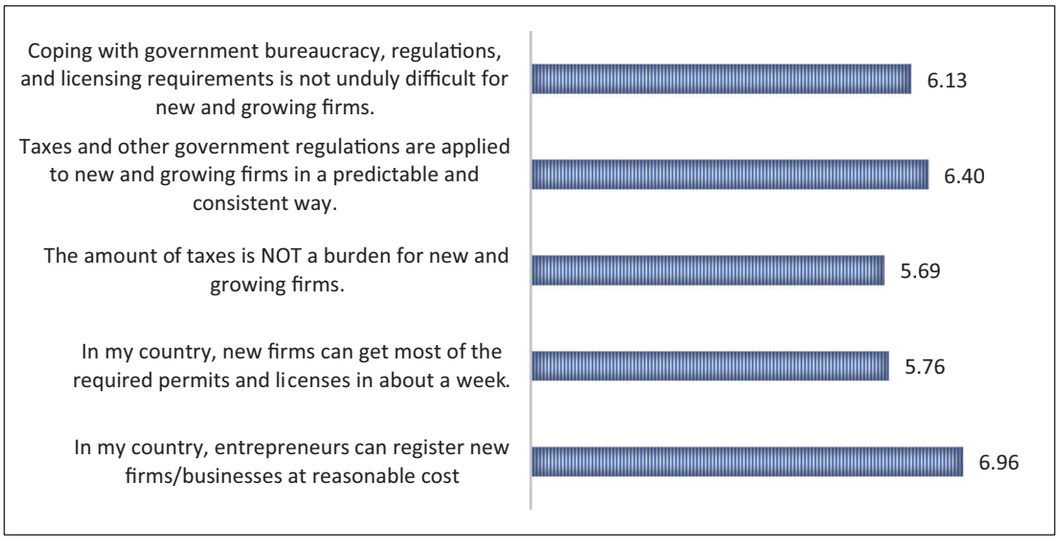


FIGURE 4.8 Government policy—taxes and bureaucracy

Source: *GEM India Survey 2023–24*

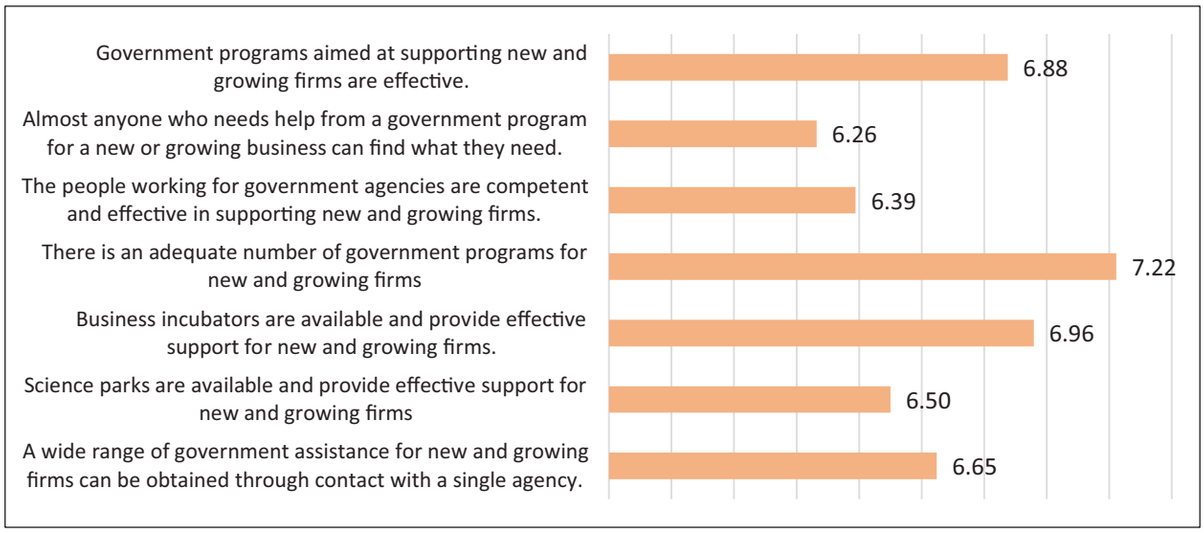


FIGURE 4.9 Government entrepreneurial programs

Source: *GEM India Survey 2023–24*

4.8 Education – Primary and Secondary

Entrepreneurship education is vital in cultivating a steady pipeline of entrepreneurs by fostering student awareness and interest. This segment is categorised into two main areas: one is focused on education at the school level (primary and secondary), and the other is on the post-school level (higher education such as vocational centres, colleges, and business schools).

Figure 4.10 illustrates the state of primary school-level entrepreneurship education in India. India's ranking is better than the global average. Three key parameters assess entrepreneurship education at this level. Experts evaluating primary and secondary education note that it enhances students' creativity, self-sufficiency, and personal initiative. While entrepreneurship awareness in education receives a positive rating, there is room for improvement in providing adequate attention to entrepreneurship and new firm creation.

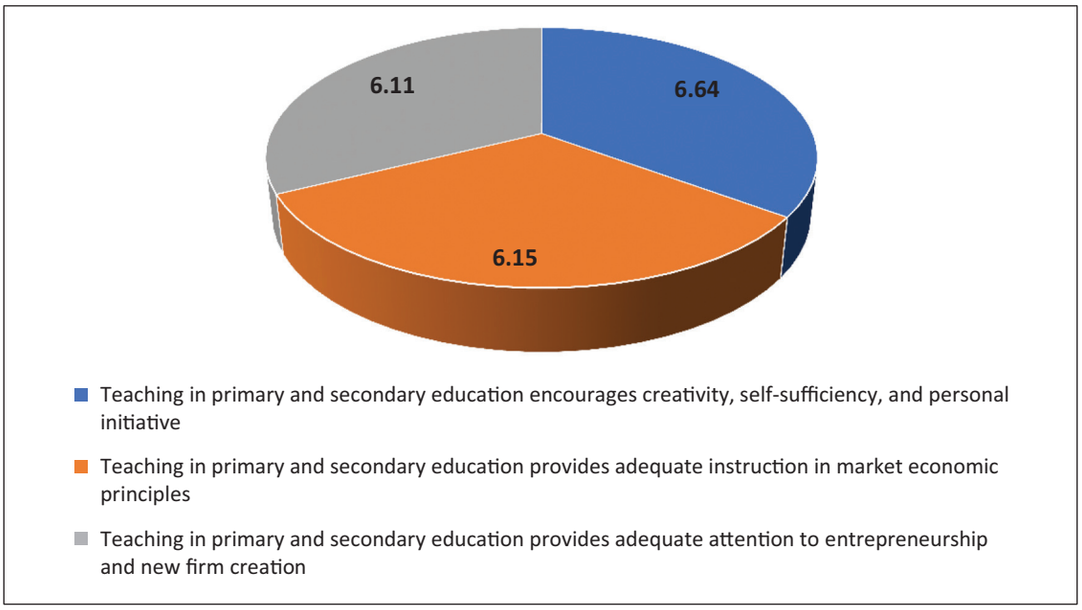


FIGURE 4.10 Education—primary and secondary

Source: *GEM India Survey 2023–24*

4.9 Education – Post-Secondary Level in India

Figure 4.11 illustrates post-school level entrepreneurial education in India. India's post-secondary education system ranks higher than many participating GEM research countries. The country's vocational, professional, and continuing education systems provide sufficient preparation for entrepreneurs to start and grow new firms. National experts rated all three aspects higher than the previous year, indicating improvement. It is essential to mention here that India ranks first among low-income countries.

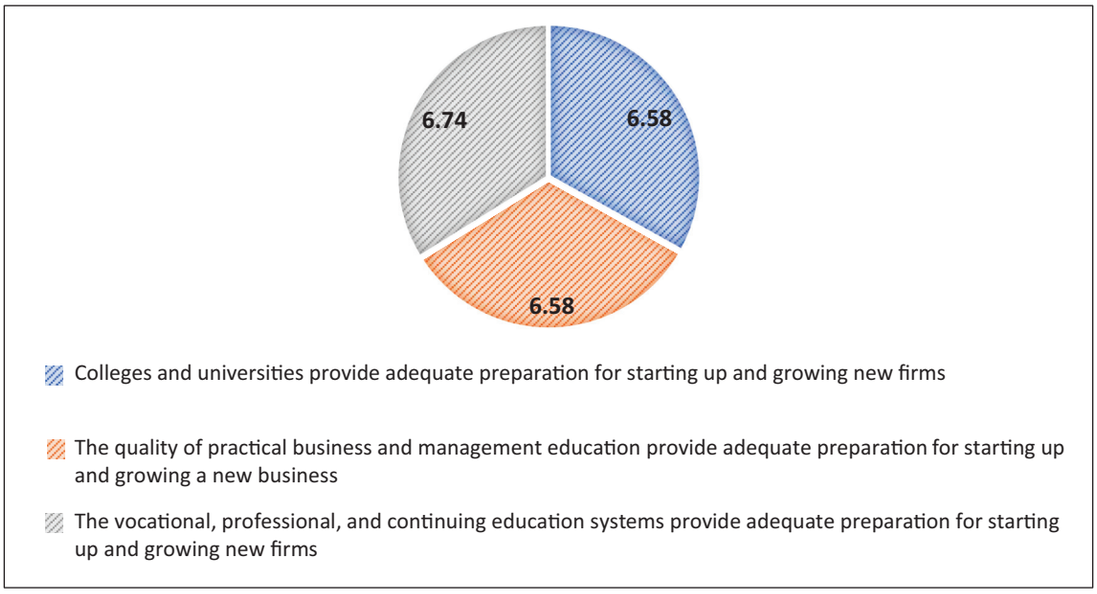


FIGURE 4.11 Education—post-school level in India

Source: *GEM India Survey 2023–24*

4.10 Research and Development Transfers in India

This section examines the role of research and development (R&D) in generating commercial opportunities for entrepreneurs. R&D solutions are commercialised to drive financial growth and business expansion. Six indicators, presented in Figure 4.12, measure this dimension. The results show that the science and technology base substantially supports creating world-class, new technology-based ventures. Notably, government subsidies play a positive role in enabling new and growing firms to acquire cutting-edge technologies. Encouragingly, all indicators received higher ratings than the previous year, indicating progress and improvement.

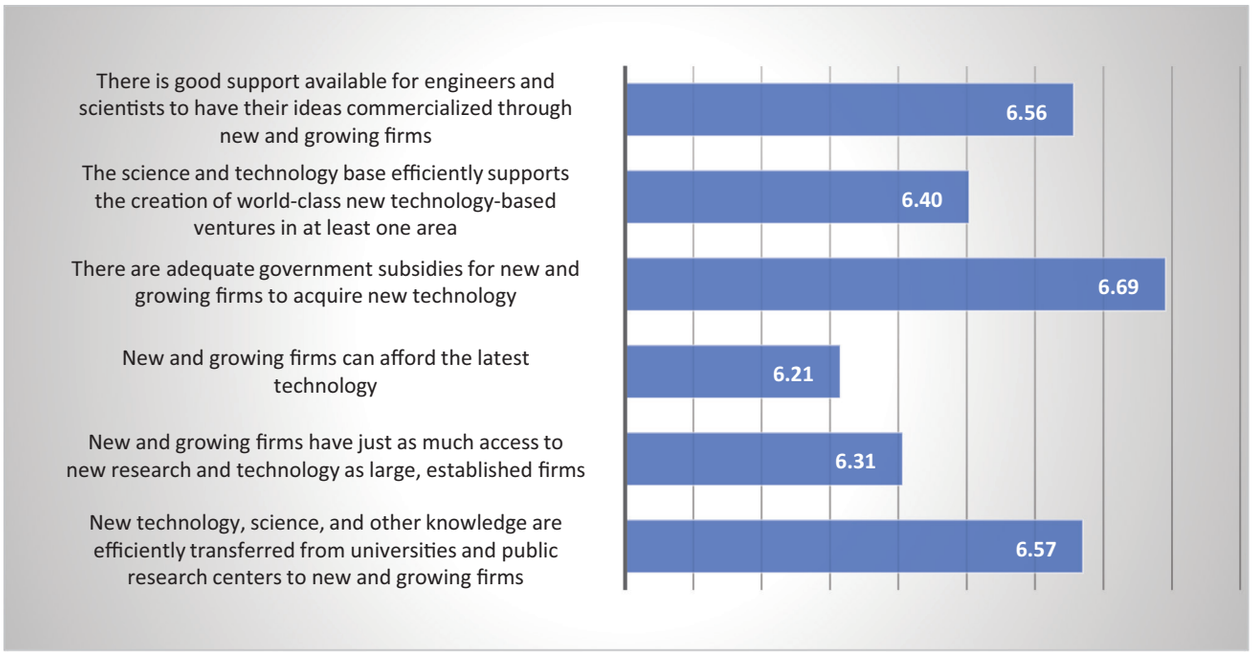


FIGURE 4.12 Research and development transfers

Source: *GEM India Survey 2023–24*

4.11 Commercial and Professional Infrastructure in India

The commercial and legal infrastructure plays a vital role in supporting new and growing firms, particularly in safeguarding property rights and providing essential legal services. A well-developed professional and commercial infrastructure ensures the availability of services that facilitate business growth. India has consistently demonstrated exceptional performance in this regard. Experts evaluate six key aspects to assess the overall infrastructure (Figure 4.13). While India boasts a favourable ecosystem across all areas, there is room for improvement in accessing affordable contractors and suppliers. Notably, India excels in providing excellent banking services, including transaction accounts, foreign exchange transactions, letters of credit, and enough subcontractors, suppliers, and consultants to support new and growing firms. With further infrastructure enhancements, India can create an even more conducive ecosystem for thriving businesses.

FIGURE 4.13 Commercial and professional infrastructure

Source: *GEM India Survey 2023–24*

4.12 Ease of Entry — Market Dynamics in India

Market dynamics comprise various elements that influence firms, including entrance rules. GEM categorises these elements into Market Dynamics and Burdens and Regulations. Figure 4.14 presents the findings on market dynamics.

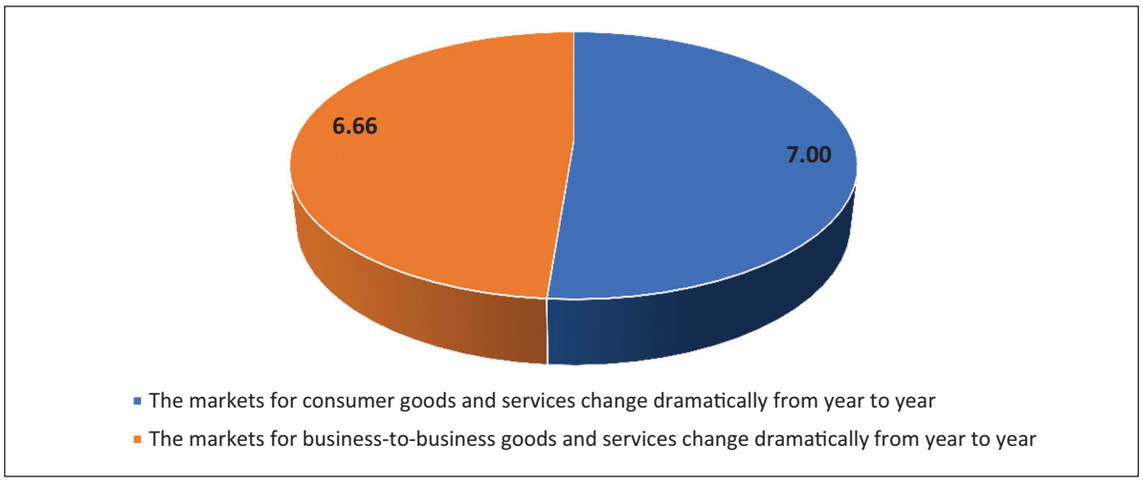


FIGURE 4.14 Ease of entry—market dynamics

Source: *GEM India Survey 2023–24*

Experts assess market dynamics by evaluating the degree of market change, business-to-business dynamics, and market dynamics for consumer goods and services. Encouragingly, both parameters have shown improvement compared to the previous year. India boasts a robust ecosystem regarding internal market dynamics, a crucial framework condition. This suggests that India's market is responsive to changes, fostering a competitive and innovative business environment.

4.13 Ease of Entry — Burdens and Regulations in India

Market burdens and regulations constitute the second aspect of entry regulation, assessing the ease with which new enterprises enter existing and new markets. Four indicators, illustrated in Figure 4.15, are considered to evaluate this dimension.

India's business environment is relatively straightforward, allowing emerging companies to enter the market quickly. While the ecosystem is above average regarding regulatory framework and established businesses' performance, India excels in new and growing firms that can quickly enter new markets. Notably, internal market burdens have increased significantly compared to the previous year. The highest-performing factor is the ease of entry into new markets, a crucial aspect for facilitating market entry for new and young entrepreneurs.

However, one area requiring attention is ensuring that new and growing firms can enter markets without being unfairly blocked by established firms. This factor received a lower score than other aspects of internal market openness.

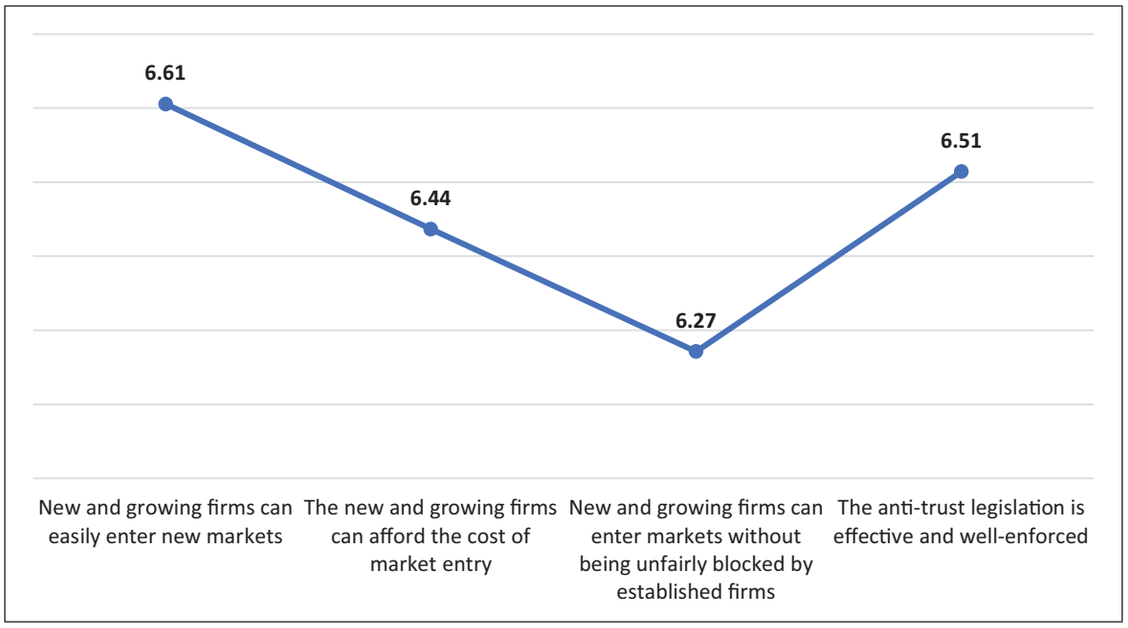


FIGURE 4.15 Ease of entry—market dynamics

Source: *GEM India Survey 2023–24*

4.14 Physical Infrastructure in India

Physical infrastructure plays a vital role in boosting business efficiency and comfort. This framework condition assesses the ease with which entrepreneurs can access physical resources. Key components include affordable spaces and access to utilities such as gas, water, electricity, and communication. Figure 4.16 presents the scores for seven factors in this area. India demonstrates strong performance across all factors, with notable improvements compared to the previous year. The most significant factor in this area is access to affordable communication and essential utilities, highlighting the importance of reliable and cost-effective infrastructure in supporting entrepreneurial growth.

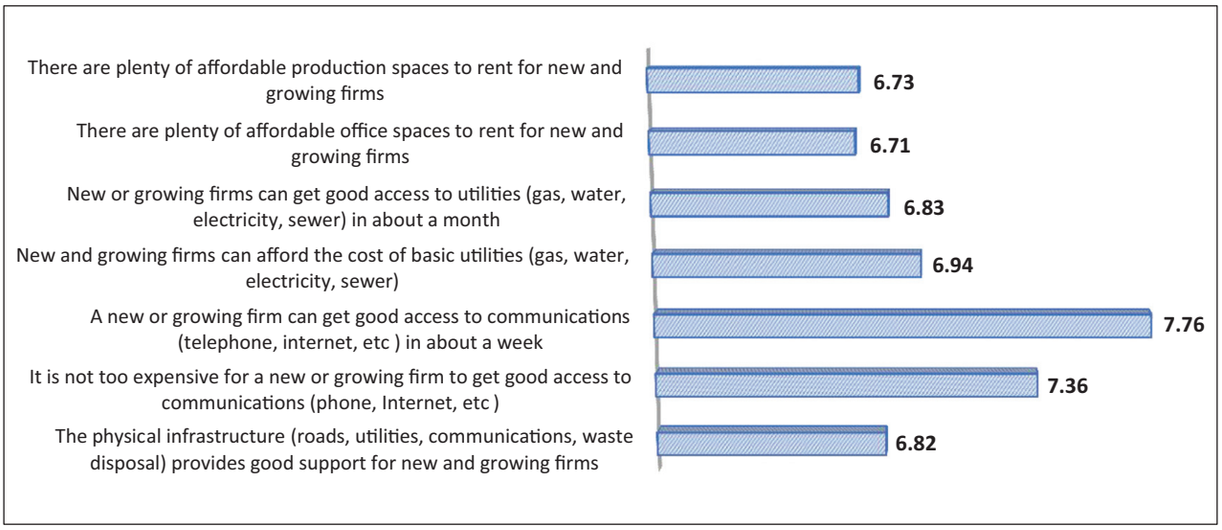


FIGURE 4.16 Physical infrastructure

Source: *GEM India Survey 2023–24*

4.15 Cultural, Social Norms, and Society Support in India

This framework condition focuses on social and cultural norms that foster innovative business methods and activities, ultimately increasing personal wealth and income. The analysis is based on five indicators contributing to a favourable entrepreneurial ecosystem. The most positive aspect is that India's national culture highly supports individual success achieved through personal efforts. Expert scores across various factors have shown equal and significant improvement compared to the previous year (Figure 4.17). To sustain and build upon this momentum, it is essential to implement supportive measures to enhance the entrepreneurial environment.

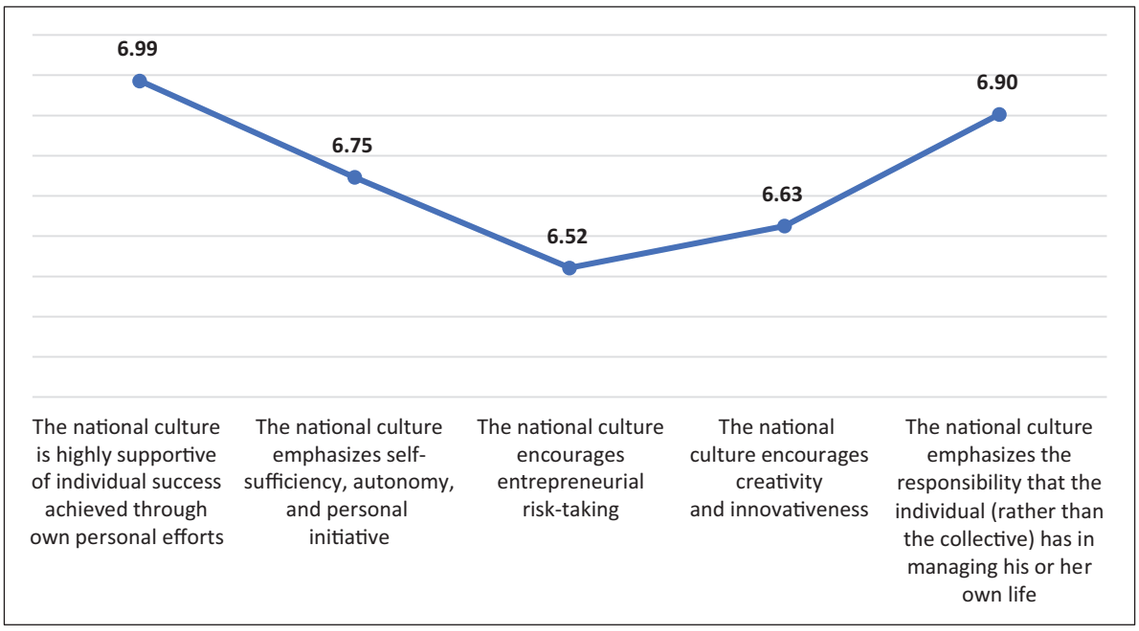


FIGURE 4.17 Cultural social norms

Source: *GEM India Survey 2023–24*

4.16 Women Entrepreneurship: Enablers

The Global Entrepreneurship Monitor (GEM) study for 2023–24 focuses on women entrepreneurship, exploring the factors that facilitate and hinder women's entrepreneurial endeavours. This research aims to provide valuable insights into the ecosystem supporting women entrepreneurs, ultimately informing policies and initiatives that promote gender equality and empowerment in entrepreneurship.

Four items are designed to measure the enabler factors for women's entrepreneurship. It includes the availability and affordability of sufficient support services (i.e., child care, home services, after-school programs, elder care …) so that women can continue running their businesses even after starting a family. It also tries to understand whether regulations are favourable so that women prefer becoming entrepreneurs to public or private employees. An effort was also made to understand whether national culture encourages women as equally as men to become self-employed or start a new business. According to Figure 4.18, the Indian government has made significant efforts to support women entrepreneurs, ensuring that essential enablers are in place. This suggests that aspiring women entrepreneurs have access to necessary resources and support, facilitating their journey to start and grow their enterprises. The data indicate a favourable ecosystem for women entrepreneurship in India.

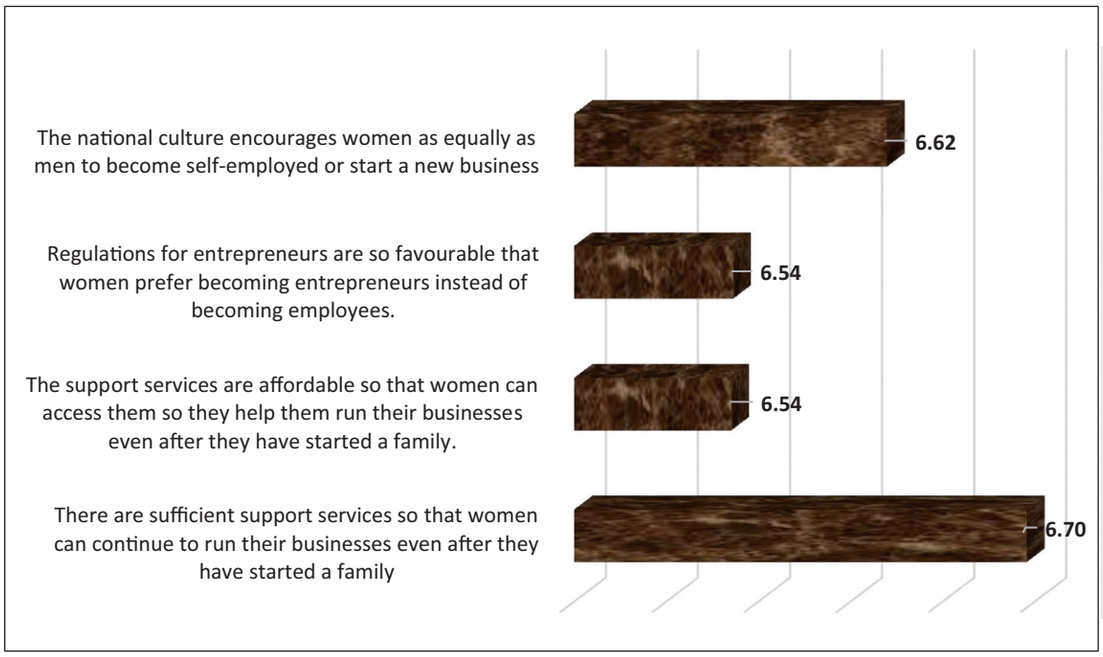


FIGURE 4.18 Enablers for women entrepreneurship

Source: *GEM India Survey 2023–24*

4.17 Women Entrepreneurship: Hindrances

The GEM study for 2023–24 highlights significant hindrances to women's entrepreneurship, specifically discriminatory practices that disproportionately affect female entrepreneurs. These practices include:

- Limited market access: Markets are more accessible to male entrepreneurs than female entrepreneurs.
- Unequal public procurement opportunities: Public procurement processes favour male entrepreneurs over female entrepreneurs.
- Disparities in access to financing: Male entrepreneurs have easier access to financing from various sources than female entrepreneurs.
- Seed funding biases: Male nascent entrepreneurs face fewer challenges in securing seed funds than their female counterparts.

According to Figure 4.19, despite India's efforts to create a supportive ecosystem for entrepreneurs, disparities still exist, particularly in terms of access to resources and opportunities for male and female entrepreneurs. These gaps highlight areas that require further attention and initiatives to ensure a truly inclusive and equitable entrepreneurial environment.

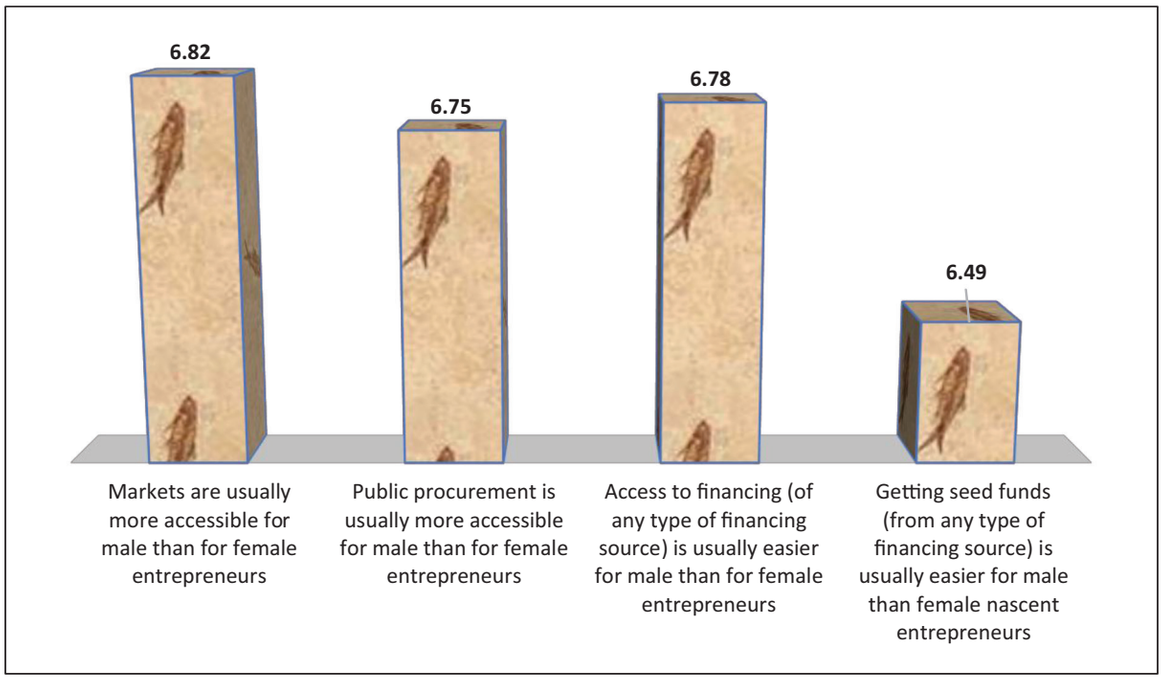


FIGURE 4.19 Hindrances for women entrepreneurship

Source: *GEM India Survey 2023–24*

4.18 Actions Supporting the United Nations Sustainable Development Goals (SDGs)

The United Nations recognises entrepreneurship as a vital tool for achieving the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda. This includes promoting more equitable, sustainable, balanced, and high-quality development.

To align with this goal, the 2023–24 National Expert Survey (NES) incorporated questions focused on actions supporting the UN SDGs. This integration enables the assessment of entrepreneurship's role in advancing the SDGs and identifying areas for improvement. India stands out among participating economies, with higher scores for actions supporting the UN Sustainable Development Goals (SDGs). National experts highlighted three key factors:

- Regulations supporting sustainability-focused startups: The government's specific regulations received the highest rating, indicating a strong foundation for sustainable entrepreneurship.
- Government support for sustainability-focused firms: National experts praised government initiatives, such as grants, special rights, and tax cuts, that encourage sustainability-focused businesses.
- Cultural emphasis on sustainability practices: Sustainability is deeply ingrained in India's national culture, with practices considered highly important.

Other factors, as shown in Figure 4.20, were adequate or sufficient. Additionally, the data reveal a positive association between income levels and framework condition scores, suggesting that higher-income economies tend to have more robust support systems for sustainable entrepreneurs.

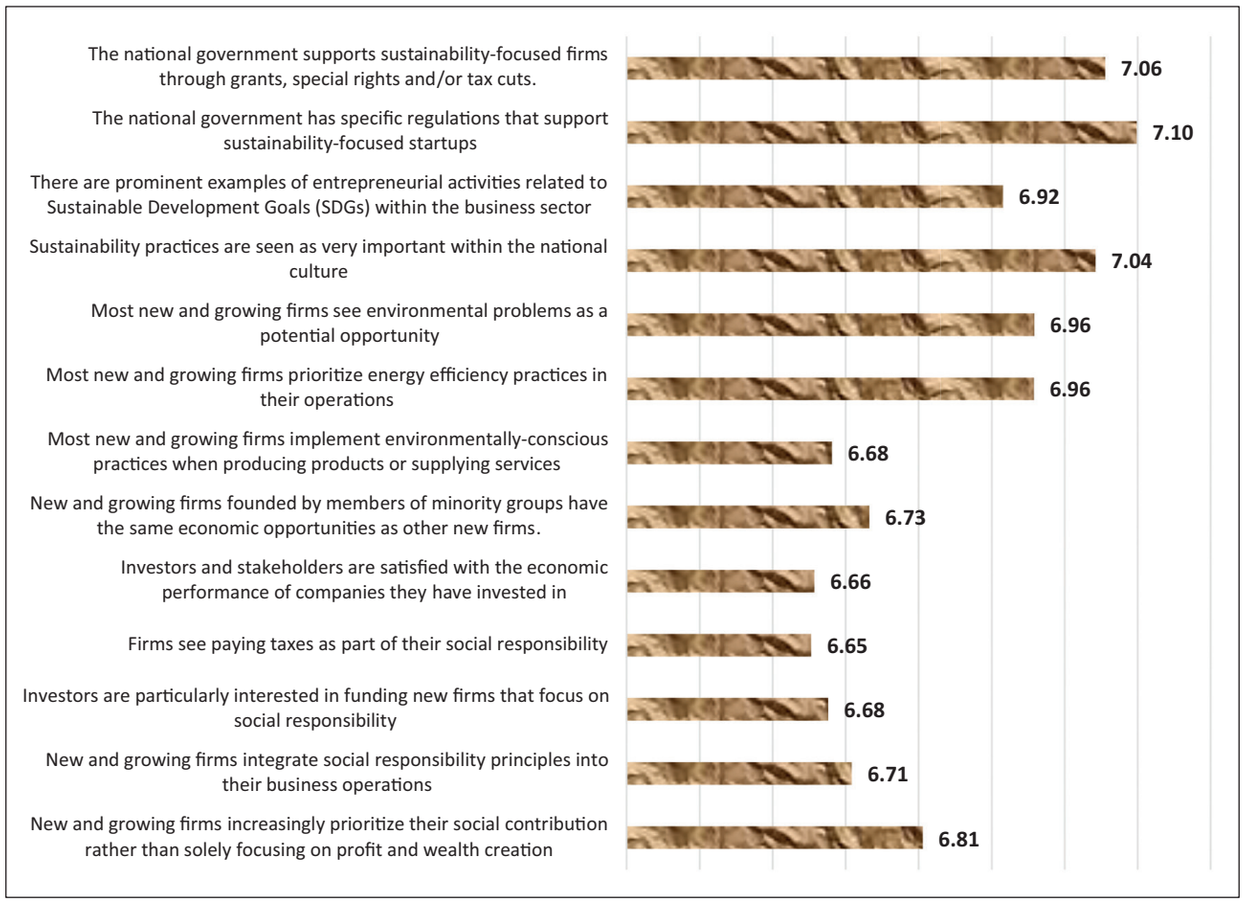


FIGURE 4.20 Actions supporting SDGs

Source: *GEM India Survey 2023–24*

4.19 The National Entrepreneurship Context Index (NECI)

GEM research revealed that economies have varying strengths and weaknesses in Entrepreneurial Framework Conditions (EFCs). In 2021, GEM introduced a single number representing the quality of a particular economy's entrepreneurial environment: The National Entrepreneurship Context Index, or NECI. The NECI simplifies this picture by taking each economy's EFC scores

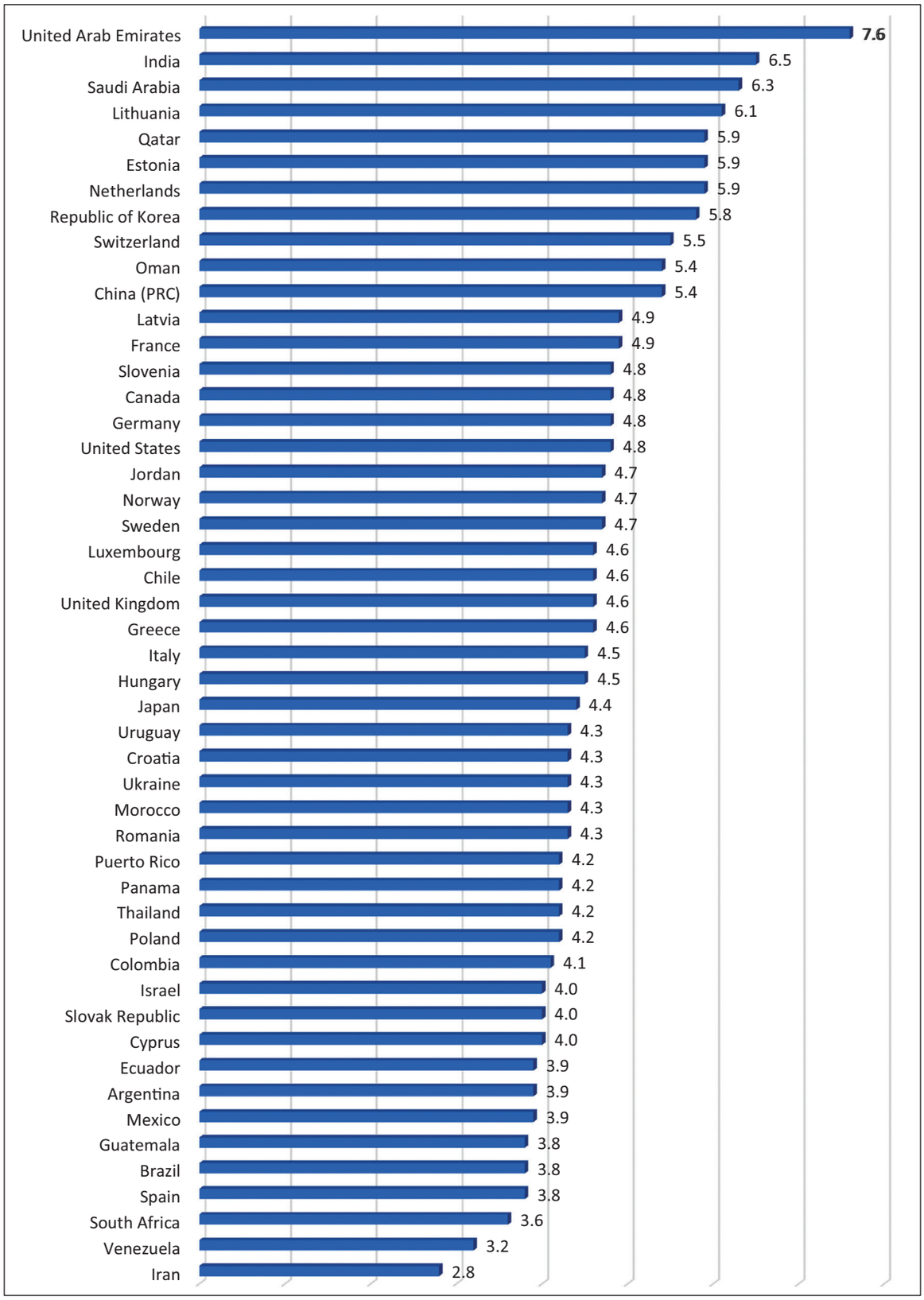


FIGURE 4.21 The national entrepreneurship context index

Source: *GEM Report 2023–24*

and averaging them to get an NECI score for that economy. According to the 2023–24 results presented in Figure 4.21, economies with more EFCs rated as "sufficient" or better tend to perform well in the NECI. This indicates a strong overall entrepreneurial ecosystem in those economies. The findings reveal that there is a clear association between income level and ranking of NECI, with six of the top 12 economies ranked by NECI coming from Level A, four from Level B, and two from Level C, including India. India ranked second in the GEM participating economy in 2023-24. A significant improvement has been observed in NECI in India from last year's ranking (4^{th}). The United Arab Emirates ranked first, and China ranked 11^{th}. Economies with few EFCs scored sufficiently on the other end of the scale and featured heavily in the bottom 12 NECI rankings. Iran and Venezuela scored the least by some margin. High scores for Framework Conditions should also encourage and facilitate business growth and development, easing the transition from new to established businesses.

4.20 Fostering Factors to Strengthen Entrepreneurship in India

Figure 4.22 shows the factors that foster entrepreneurial activities in India. Experts have found that government policies, government programmes, new ways of doing business (Gig, telework ...), and financial support are the main factors in promoting entrepreneurship in India. Moreover, multiple government and private institutions are working to strengthen entrepreneurship and shifting their interest toward developing an entrepreneurship culture in the country. The government of India initiated several programmes to provide opportunities for youth to come up with start-ups. The government has also formulated and implemented various policies to promote entrepreneurship in the country. There are more opportunities for companies to invest, and the government of India has promoted a single-window redressal system to address the smooth flow of investment in the country.

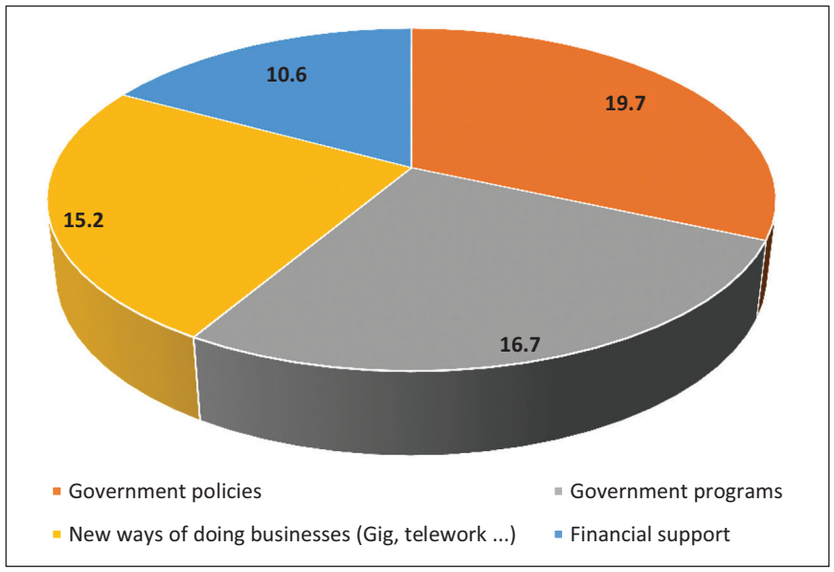


FIGURE 4.22 Fostering factors to strengthen entrepreneurship

Source: *GEM India Survey 2023–24*

4.21 Recommendations to Strengthen Entrepreneurship in India

The experts' primary recommendation is to provide education and training for entrepreneurship. Almost half (45.5%) of national experts opined that education and training for entrepreneurship development are crucial for ensuring a continuous supply of entrepreneurs in the country. Figure 4.23 shows that capacity-building programs should be improved and developed in a structured form to construct a more advantageous circumstance to create and expand the enterprise. Hence, the government should focus on creating sounder learning opportunities and developing human resource infrastructure for the growth of young entrepreneurs. Experts also recommended that the government provide conducive policies and financial support for novice and existing entrepreneurs to start and grow their businesses efficiently.

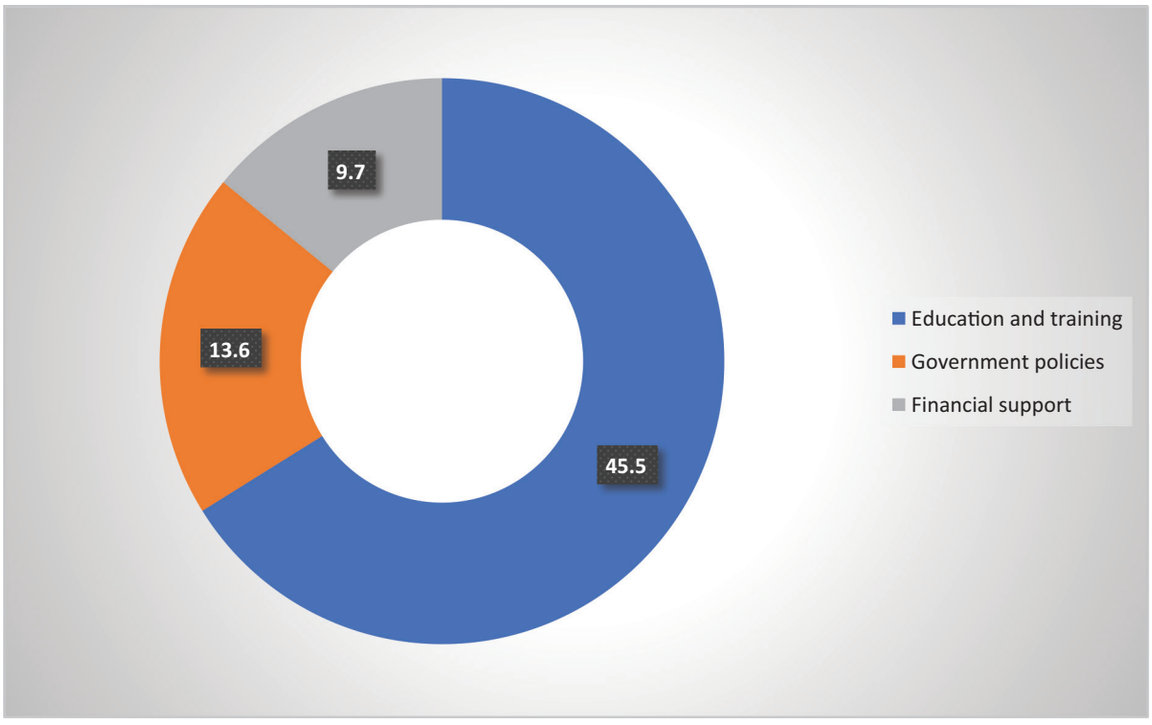


FIGURE 4.23 Recommendations to strengthen entrepreneurship

Source: *GEM India Survey 2023–24*

Entrepreneurial Activities and Entrepreneurship Environment in India

5

5.1 Introduction

This 2023/2024 GEM India Report presents the results of GEM's 25th research survey. In this research cycle, over 136,000 individuals were interviewed across 46 different economies, adding their views and experiences to over 3 million previously interviewed for the GEM Adult Population Survey (APS) over the previous two decades. These 46 economies represent nearly 60% of the current world population and 70% of global GDP. Moreover, GEM's National Expert Survey (NES) includes 49 economies (all 46 economies that participated in the GEM APS, plus Argentina, Japan and the United Arab Emirates). The National Expert Survey (NES) is a comprehensive survey that gathers insights from national experts in each economy. These experts assess the essential components and characteristics of the entrepreneurial environment within their respective economies, providing valuable information on the ecosystem's strengths, weaknesses, and areas for improvement.

The Global Entrepreneurship Monitor (GEM) India has been publishing annual reports since 2013, providing valuable insights into India's entrepreneurial landscape. These reports cover various aspects, including entrepreneurial activity, attributes, motivations, perceptions, and youth engagement. The latest report highlights significant growth in entrepreneurship within the country, demonstrating consistency and upward trends over the past four years. Key indicators of entrepreneurial activities and ecosystems show a positive movement, indicating a thriving entrepreneurial environment in India. This chapter analyses the trends and dimensions of entrepreneurial activities in India.

5.2 Entrepreneurial Activities and Established Businesses in India

The result presented in Figure 5.1 reveals that India's total entrepreneurship activity rate has now wholly come out from the impact of the COVID-19 pandemic, and it is stabilising. It is essential to mention that TEA includes Nascent Entrepreneurship and New Business Ownership.

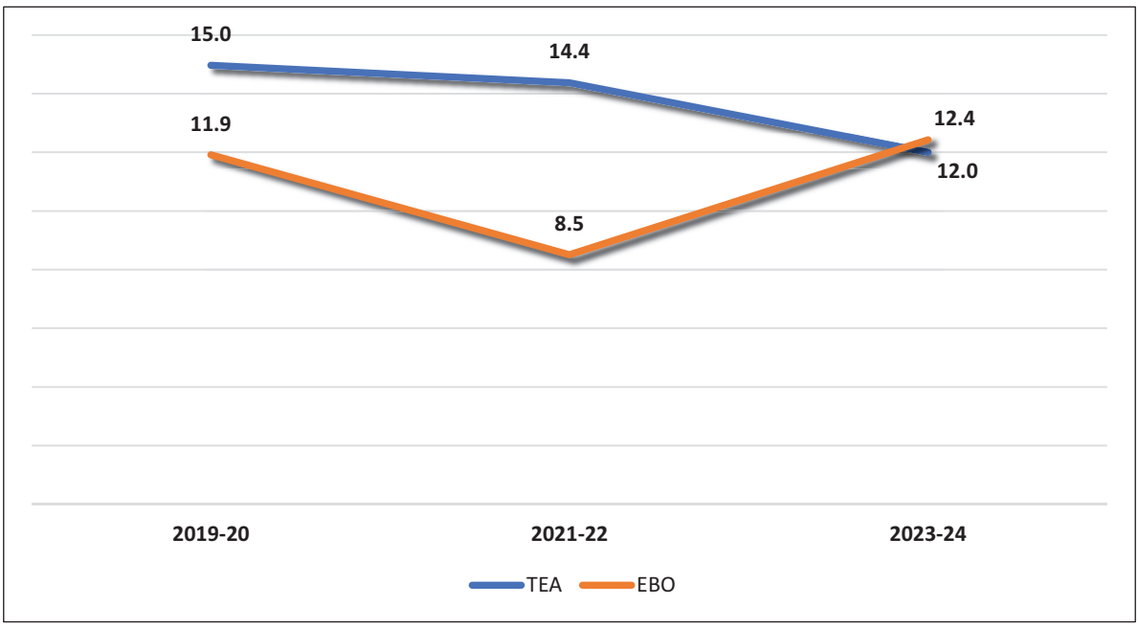


FIGURE 5.1 Trends of TEA and EBO in India

Source: *GEM India Survey 2023–24*

Hence, both have increased significantly over the same time period. Similarly, established entrepreneurship has completely come out from the pandemic, and it has increased to 12.4 per cent, which is more than before COVID-19. The result presented in Figure 5.1 indicates that the established business rate was higher (121.4) in 2023–24.

5.3 Digitalization and United Nations Sustainable Development Goals (SDGs)

After the pandemic, there have been significant changes in our lives, work, and business. This provides an opportunity to use digital technologies to run our businesses, gain a competitive advantage, and enhance performance-related outcomes. To understand the impacts of digital technologies on the performance of business activities, the present research enquired about the use of digital technology by both those starting a new business and those running an established business and whether they expected to use more digital technologies to sell their products or services in the next six months. Results presented in Figure 5.2 indicate that in India, 40.0 per cent of new entrepreneurs have expressed their willingness to use digital technology for their business activities, whereas 39.5 per cent of established business owners have shown their willingness for the same. The findings reveal that India needs more concentrated efforts to increase awareness and willingness to use digital technology among aspiring and existing entrepreneurs in the country.

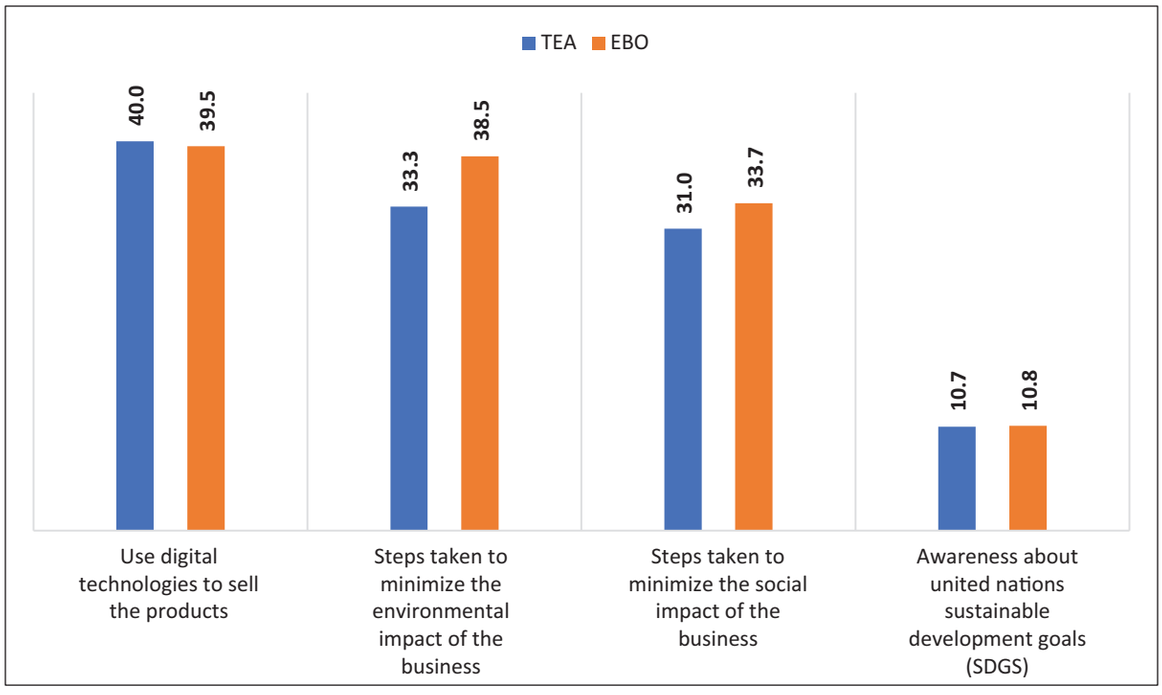


FIGURE 5.2 Digitalization and entrepreneurial responsibilities

Source: *GEM India Survey 2023–24*

33.3 per cent of new entrepreneurs and 38.5 per cent of established businesses reported that they had taken steps to minimise the environmental impact of their business. In the case of minimising the social impact of business, 31 per cent of new entrepreneurs and 33.7 per cent of established business owners have reported that they have taken several steps to minimise the adverse impact of the business.

Social concerns may include access to education, health, safety, inclusiveness, housing, transportation, and quality of life at home or work. Environmental implications can include the preservation of green areas, reductions in the emission of pollutants and toxic gases, selective garbage collection, and conscious consumption of water, electricity and fuel. Such social and environmental considerations may be weighed against and prioritised above profitability or growth (GEM 2023–24).

The United Nations' 2030 Agenda for Sustainable Development recognises entrepreneurship as a key driver for achieving the UN Sustainable Development Goals (SDGs), promoting more equitable, green, balanced, and high-quality development. However, according to the Global Entrepreneurship Monitor (GEM) survey, awareness of the SDGs among entrepreneurs in India is surprisingly low, as shown in Figure 5.2. This suggests that there is a need to raise awareness about the SDGs among Indian entrepreneurs, enabling them to contribute more effectively to achieving these global goals.

Although many Indian entrepreneurs consider social and environmental concerns in their business decisions, there is a surprising lack of awareness about the United Nations' Sustainable Development Goals (SDGs). This gap is concerning, as the success of the SDGs is vital for the future of the global economy and society. To address this, India needs to:

- Increase awareness about the SDGs among entrepreneurs, policymakers, and the general public.
- Integrate SDG education into business curricula and training programs.
- Encourage entrepreneurs to align their business strategies with the SDGs.

By doing so, India can leverage entrepreneurship as a powerful tool to achieve the SDGs and contribute to a more sustainable and equitable future.

5.4 National Entrepreneurial Context Index (NECI)

The Global Entrepreneurship Monitor (GEM) introduced the National Entrepreneurship Context Index (NECI) in 2021 to better assess and compare national entrepreneurial environments. The NECI is a comprehensive metric representing the quality of an economy's entrepreneurial environment. It's calculated by averaging the Entrepreneurial Framework Conditions (EFCs) scores for a specific economy. This index provides a straightforward way to evaluate and compare the entrepreneurial ecosystems across different economies, making it easier to identify areas of improvement and track progress over time.

The result presented in Table 5.1 highlights the changes in Entrepreneurial Framework Conditions (EFCs) scores between 2021 and 2023 for 41 participating economies. Many governments provided significant financial support to businesses in 2021, which was primarily reduced or withdrawn by 2023. As a result, scores for EFCs like Government Policy: Support and Relevance and Government Entrepreneurial Programs may have declined (GEM 2023–24). Table 5.1 explains the details, simply counting the number of economies for which each EFC score had increased or decreased over the period. Many of these changes are very small, so the table also identifies those economies where the particular EFC score increased or decreased by 25% or more from 2021.

For nine of 13 EFCs, many more economies experienced a decrease in score between 2021 and 2023 than experienced an increase, including, as expected, for those EFCs most directly concerned with government, but also for both finance EFCs, for research and development transfers, for commercial and professional infrastructure, and for physical infrastructure. Previous global

TABLE 5.1 Entrepreneurial framework conditions

Framework Condition	Number of economies in which score decreased	Number of economies in which score increased
A1. Finance	26	15
Change 25%+	*Iran, Spain*	***India***
A2. Access	26	15
Change 25%+	*Iran, Norway, Spain, Sweden*	***India***
B1. Policy	27	14
Change 25%+	*Colombia, Israel, Mexico, Spain*	*Croatia*, ***India***
B2. Burdens	23	18
Change 25%+	*Israel, Norway, Spain*	***India,*** *Oman*
C. Programs	24	17
Change 25%+	*Spain*	***India***
D1. Schools	16	25
Change 25%+	*Cyprus, Norway, Israel, Spain, Venezuela*	*Brazil,* ***India****, Iran, Panama, Slovenia, United Arab Emirates*
D2. Colleges	13	28
Change 25%+	*Israel*	*Spain*
E. R & D Transfer	24	17
Change 25%+	*Spain*	***India****, Morocco, Romania, Oman, United Arab Emirates*
F. Commercial	26	15
Change 25%+	*Iran, Spain*	***India****, Oman*
G1. Entry Dynamics	14	25
Change 25%+		*Hungary, Norway, Slovak Republic, Luxembourg*
G2. Entry Burden	23	18
Change 25%+	*Israel*	***India****, Oman*
H. Infrastructure	27	13
Change 25%+	*Iran*	***Oman***
I. Culture	17	28
Change 25%+	*Spain*	***India****, Panama, South Africa*

Source: *GEM 2023–24*

reports have highlighted consistently low scores for the two educational, entrepreneurial framework conditions (EFCs), particularly for entrepreneurial education at the school level. However, India has made notable strides in entrepreneurship education at the school level, achieving a remarkable increase of over 25% since 2021. This progress is indeed an encouraging shift! India has shown impressive progress across various Entrepreneurial Framework Conditions (EFCs), with increases of over 25% in as many as 10 EFCs.

5.5 Conclusion and Policy Implication

The 2023–24 Global Report suggested that, for a handful of economies (India, Oman, Saudi Arabia and the United Arab Emirates), there was evidence of some improvement in EFCs since 2021. Still, for most economies, the evidence was either too mixed or changes too small to draw conclusions. Two other economies, Mexico and Spain, showed deterioration in their EFCs.

The pandemic was a severe but temporary shock to the Indian entrepreneurial environment, with all 13 Entrepreneurial Framework Conditions scoring lower in 2021 than in 2020. In 2020, all of India's Framework Conditions scored better than sufficient (≥5.0). In 2021, seven of those conditions were rated as insufficient, but by 2023, all had returned to sufficiency, and India ranked 2nd among all participating countries. These changes, many of which were considerable, both in the fall from 2020 to 2021 and in the recovery from 2021 to 2023, suggest a high-quality entrepreneurial environment but one that is very fragile and far from resilient (GEM 2023–24).

Hence, normal service resumed in 2023, with the entrepreneurial environment restored to high quality, with, for example, all but three Framework Conditions increased by more than 25%. The exceptions were Entrepreneurial Education Post-School, Market: Entry Dynamics and Physical Infrastructure.

The findings of APS suggest that the confidence in one's ability to start a business, although still relatively high, had increased from 78% of adults agreeing they have the skills and experience to start a business in 2022 to 81.6% in 2023. The proportion of adults who saw good local opportunities to start a business stayed high and increased from 75% in 2022 to 82.5% in 2023.

These have been turbulent years for the Indian economy, and the proportion of adults starting or running their businesses has fluctuated, falling sharply from 15% in 2019 to just 5.3% in 2020, then rising to 14.4% in 2021, 11.5% in 2022, and 12.0% in 2023. Meanwhile, the level of EBO followed a similar pattern, halving from 11.9% to 5.9% in 2020, then rising to 8.5% in 2021, 9% in 2022, and 12.4% in 2023. According to the data, the rate of new entrepreneurs and established businesses has returned to pre-pandemic levels after the pandemic, with the numbers being more or less the same. This suggests a sense of stability and recovery in the entrepreneurial ecosystem following the pandemic.

5.6 Key Points from the Adult Population Survey (APS)

- The data show that 82.5% of the population perceives that there is a good opportunity to start a business in their area. Of the 46 participating economies, India has ranked second for perceived opportunities.
- 81.6% of youth perceived that they have confidence in one's ability to start a business. Out of the 46 economies that participated, India has ranked third for perceived capability.
- About 62.8% of youth have reported that they cannot start a business due to fear of failure. India ranks second among GEM participating economies. The data highlight that there is a fear of failure among youth in choosing to be entrepreneurs.
- Entrepreneurial intention is a very important part of the survey and highlights the possibility of people getting into business. The level of intentions among the population keeps changing, and compared to last year's survey, a persistent change has been observed. Entrepreneurial intentions are 19.5% for this year, and India ranks 19th among all 46 participating economies.
- However, about 81.1% of surveyed youth believe starting a business is easy in India. The data have improved, making starting a business in India easy. Out of the 46 economies that participated, India has ranked third for this parameter. It shows the ease of doing business in India.
- The rate of total early-stage entrepreneurship (TEA) in India is 12% in 2023–24, and India now ranks 22nd among 46 economies surveyed. Total early-stage entrepreneurial activity indicates the growth of entrepreneurship development in the country.

- Among female adults, 9.3% of the total female population is engaged in entrepreneurship in India, and 14.6% of the male population is engaged in the same.
- The discussion for established business ownership is essential, and 12.4% of the population is engaged in an established business.
- The motivation data for entrepreneurship are now more refined and relevant to the country's entrepreneurship development. People are mainly motivated by four different reasons to start a business. 83.8% of the people in India want to start a business to make a difference in the world. Another important category is earning a living because jobs are scarce, and data shows that 87.8% of the population is motivated by this factor.
- Among the country's youth, 75.2% are motivated because they want to continue their family tradition, and 81% of youths have reported that they are motivated by building great wealth.

5.7 Key Takeaways from the National Expert Survey

- The national expert survey is the second essential survey conducted by GEM every year, and this year, it was conducted in 49 economies. The results are summed up in a newly formed National Entrepreneurship Context Index (NECI). NECI identifies the capacity of the ecosystem of a particular country for the enhancement of entrepreneurship in the country.
- The NES survey in India is based on 72 individual experts from the field of entrepreneurship, start-ups, and academics. Experts from various fields, directly or indirectly involved with entrepreneurship, suggest new things to improve the conditions of the entrepreneurship framework. The experts feel that the following fostering factors are facilitators for the growth of entrepreneurship and development in India. Among the NES experts, 19.7% reported that government policies and 16.7% reported that government programmes are some of the most promising factors for strengthening the country's entrepreneurial ecosystem. Experts also considered new ways of doing business and financial support as other factors that foster entrepreneurship in the country.
- The experts' primary recommendation is to improve education and training for entrepreneurship at school, college, and professional levels so that aspiring and existing entrepreneurs can easily start and grow their businesses. 45.5% of experts opined that education and training are essential in building the entrepreneurship ecosystem. The government should focus on creating sounder learning opportunities and developing human resource infrastructure for the growth of young entrepreneurs. The experts also recommended that capacity-building programs be improved and developed in a structured form to construct a more advantageous circumstance to create and expand the enterprise.
- Experts also recommended that the government provide conducive policies and financial support for novice and existing entrepreneurs to start and grow their businesses efficiently.

Entrepreneurship Development Institute of India

Launched in 1983, EDII is a National Resource Institute in entrepreneurship education, research, training, capacity building, institution-building, MSME growth and startup incubation. The Institute has been set up with the support of premier financial institutions, viz; the IDBI Bank Ltd; ICICI Ltd; IFCI Ltd; State Bank of India and with the backing of the Government of Gujarat. EDII stands on the belief that 'Entrepreneurs are not just born but can also be created by training and well-conceived interventions'.

The Institute was set up during times when there were more disbelievers than believers in entrepreneurship. Since then, it has evolved, curating successful training models, most of which are being replicated widely. The Institute successfully established the credibility of entrepreneurship as a development tool and went on to get recognized as the CENTRE OF EXCELLENCE by the Ministry of Skill Development and Entrepreneurship, Govt. of India.

EDII began by conceptualising Entrepreneurship Development Programmes (EDPs), and by launching a tested training model for New Enterprise Creation, implemented even today, as EDII-EDP model. Gradually, The Institute moved on to designing and implementing multiple programmes and replicable development models for diverse target groups leading them to becoming successful entrepreneurs and skilled individuals. It also undertook the task of institution building by setting up entrepreneurship development centres in several states of the country including initiation of ED centres in many more new states/UTs, such as: Goa, Uttarakhand, Chhattisgarh, Ladakh etc. This effort was broad-based internationally too, with the setting up of Entrepreneurship Development Centres in Cambodia, Laos, Myanmar, Vietnam, Uzbekistan and Rwanda.

Today EDII works in a collaborative mode with noted corporates as well as Government Ministries / Departments in implementing mega projects with resounding results in terms of New Enterprise Creation and generation of livelihood options. Additionally, the Institute's association with Institutes of national importance and premier organizations of the country, and other regulatory bodies is also generating commendable results in terms of deep-rooting entrepreneurship across sectors.

EDII activities and projects have been focussed on Policy Advocacy, Knowledge and Research; Entrepreneurship Education; Government Projects; CSR Partnerships; SME Development; Innovation & Technology, and International Outreach. Institute's Technology Incubation Centre, CrAdLE (Centre for Advancing and Launching Enterprises), set up with the support of Department of Science and Technology, Govt. of India, is focused on incubating start-ups in the potential areas of food/agri business, renewable energy and healthcare.

EDII is committed to the goal of boosting entrepreneurship across segments and sectors through innovative models, projects and programmes, thus effectively leading the country towards the mandate of *Viksit Bharat*.

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The GEM India Report 2023-24 is an outcome of collective efforts of GEM India consortium that strives to capture and understand the current state of affairs in Indian entrepreneurship. This report provides information on entrepreneurship ecosystem prevailing in the country and entrepreneurial activities being carried out in various states.

The GEM India study, conducted using a well-established GEM research methology that is consistent across all participating countries, generates a variety of relevant primary information on different aspects of entrepreneurship and provides harmonised measures about individiuals' attributes and their activities in different phases of entrepreneurship. The key outcomes of research reported in the book are relevant to researchers, policymakers, entrepreneurs and corporate houses.

KEY HIGHLIGHTS

- In-depth coverage of entrepreneurial activity in India
- Insightful analysis of data on different parameters of entrepreneurship
- Graphic and easy-to-interpret presentation of findings
- Recommendation for policy implications

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